

Recession deepening despite sharp fall in inflation rate

Inflation is continuing to come down sharply, but the recession in British industry is getting worse. The inflation rate was 13 per cent in January, 2.1 percentage points down on the previous month, but manufacturing production has plunged 15 per cent in a year, one of the largest falls this century. Gas prices are expected to rise by about 15 per cent from April, and another 10 per cent in October.

Prices show annual rise of 13pc

Price inflation has again fallen, providing the only bright spot for the Government in an otherwise bleak economic landscape.

Prices rose by 13 per cent during the 12 months to the end of January, according to official figures published yesterday, compared to a year-on-year increase of 15.1 per cent in December. This is the eighth consecutive monthly drop in the inflation rate.

Inflation has now fallen to its lowest level since June 1979, when Sir Geoffrey Howe added between three and four percentage points to the retail price index by raising VAT from 8 per cent to 15 per cent on a range of goods. This was part of the Government's strategy to shift from direct to indirect taxation.

The underlying inflation rate, measured by the annualized change in prices over the last 12 months (excluding seasonal effects) has also shown a further decline. On this measure, the rate of price increases was 7.5 per cent in January, compared with 8 per cent in December, and a peak of more than 22 per cent in May.

The rise in the retail price index last month was 0.6 per cent, broadly the same as in the recent months. One favourable influence was the fall in the mortgage interest rate

from 15 per cent to 14 per cent. This alone knocked about 1 percentage point off the index, although some home owners will not have seen their mortgage interest rates cut until this month.

The reduction of mortgage costs helped to offset price increases on other items, such as milk, some types of food, beer and coal.

The pace at which inflation has fallen seems to have surprised even Treasury ministers. As recently as November, the Treasury predicted that prices would rise by about 11 per cent between the fourth quarter of 1980 and the fourth quarter of 1981.

But if inflation continues to slow down in coming months as quickly as it has since the autumn, it could be as low as 11 per cent by the late spring, and into single figures long before the end of the year.

To some extent, this will depend on what measures the Chancellor announces in his Budget on March 10. If specific duties on alcohol, tobacco and petrol are raised in line with inflation during the previous 12 months, this would add 14 percentage points to the retail price index. It would involve 13p on a pint of beer, 55p on spirits, 61p on 20 cigarettes and 7p on a gallon of petrol.

The danger in the longer

term, however, is that the sterling exchange rate could start to weaken significantly, pushing up the cost of imported goods. The strength of the pound on the international money markets has been an important factor in holding back price increases, but some economists believe that the pound could fall later this year.

Another factor helping to brake price increases has been fierce competition in Britain's high streets. The prices of consumer goods has probably risen on average by less than 10 per cent in the past year, although the effect of this has been offset by price rises for the products of nationalized industries.

Their prices were 27 per cent up in the 12 months to January, compared with a year-on-year increase in December of 30 per cent.

Overall, inflation in Britain is only slightly above the average of other industrial countries which stands at about 12 per cent.

If the rate of United Kingdom price rises could be brought well down into single figures by the end of 1981, and particularly if it was below the average for other industrial countries, it would be possible for the Chancellor to take action to stimulate the economy in his 1982 Budget.

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'Times' sale completed with £12m payment

By Dan van der Vat
Mr Rupert Murdoch last night took over The Times, its three supplements and The Sunday Times with immediate effect for a down payment of £12m.

Oswald's was transferred from the Thomson Organisation, a subsidiary of Thomson British Holdings, which is the principal subsidiary in Britain of the International Thomson Organisation of Toronto, Canada. The takeover was completed when representatives of News International, Mr Murdoch's British company, put their signatures to a mound of deeds and documents, which were also signed by Thomson lawyers and executives last night.

Mr Murdoch came to the Thomson headquarters in Stratford Place, off Oxford Street, London, last night to drink a celebratory glass of champagne with Mr Gordon Brunton, managing director and chief executive of Thomson British Holdings.

Mr Murdoch thus acquired the freehold of 200 Gray's Inn Road, The Sunday Times' building previously owned by another Thomson subsidiary (the adjacent building of The Times is rented from a third party), and the whole of Times Newspapers Holdings which owns the five titles.

He has also taken responsibility for redundancy payments to the 563 employees of the papers who will resign voluntarily as part of his deal reached on Thursday with the printing unions.

Thomsons will be entitled to 25 per cent of profits in excess of £5m made by Times Newspapers in any financial year, but only after the papers have accumulated a total net profit of £20m under Murdoch ownership.

That arrangement is open to cancellation in 1991. What it means is that Mr Murdoch has relieved Thomsons of all liabilities for Times Newspapers, which is estimated to have lost £13.5m last year and a total of £70m since Thomson set up the company 14 years ago.

The mechanics of the complex takeover are in accordance with Mr Murdoch's established technique of making a relatively modest downpayment with the balance to be made up from future profits.

In this case such profits are a matter for speculation and within the ten-year period during which the arrangement will stay in its present form it is possible that the payments from profits to be made by Mr Murdoch may not be substantial.

On paper Thomsons have sold assets with a putative value of £36m for £12m and a share in future profits. But they have also disposed of a growing drain on the overall profits of their British operation and can be said to have extricated themselves with finesse.

Terms endorsed: Leaders of the largest union within Times Newspapers yesterday endorsed the terms agreed by their national officers with News International. (Our Labour Editor writes).

The executive council of the National Society of Operative Printers, Graphical and Media Personnel (Natsop) unanimously supported the package negotiated by the union's general secretary, Mr Owen O'Brien, and other officials, for a three-year agreement on the five titles.

Mr Murdoch's takeover of the Times group is a landmark in the history of the newspaper industry. It marks the end of the long-standing partnership between the Thomson family and the Times group, which began in 1863.

The takeover is also a landmark in the history of the British media. It marks the first time that a foreign company has taken over a major British newspaper group.

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Back to camp: Former Zipra guerrillas returning to their camp in the township of Entumbane, near Bulawayo, after heavy fighting which started on Tuesday between Zipra and Zanla forces in and around Zimbabwe's second city. Mr Joshua Nkomo, the Minister Without Portfolio, who arrived in Bulawayo on Thursday, said that steps would be taken to move both his Zipra supporters and Zanla men, who support Mr Robert Mugabe, the Prime Minister, from Entumbane. Yesterday Bulawayo was returning to a semblance of normality as loyal national army troops moved round Entumbane collecting bodies. Test for Mr Nkomo, page 4

Mr Foot takes the fight to dissidents

By Michael Hatfield
Political Reporter

Mr Michael Foot, leader of the Labour Party, and some of his Shadow Cabinet colleagues, threatened by a breakaway centre party, set out last night to steady Labour's ranks.

While Mr Foot delivered a reply to the accusations of Mrs Shirley Williams, Mr Denis Healey, the deputy leader, spoke about the unifying forces inside the party and added: "We shall not be helped by hubbub from the faint hearts who are planning to desert us just when the battle is at its fiercest."

Mr Foot repudiated the charges of Mrs Williams that the party had changed its character over the past decade, that there was a new spirit of intolerance that gripped the party leadership, that there was a "rigid refusal to compromise on the part of those who disagree with her point of view", and that there had been an abandonment of the party's allegiance to parliamentary democracy.

He told a meeting in Nelson, Lancashire, that he had pleaded with Mrs Williams "for several years" to stay in the party and exercise her full democratic rights. "None of these charges, in my judgment, is borne out by the facts," he said.

Mr Foot went back over the history of Labour's internal battles about the EEC, stating that Mrs Williams and her pro-EEC colleagues were in the minority. "Throughout the whole decade, she and her friends have never concealed their views or been required by Labour discipline to conceal their views," he said.

Thanks to the prevailing spirit of tolerance, the party had held together. "I think it is not merely ungenerous, but a complete misconstruction of the facts that anyone should now cite the case of the Common Market as an example of a refusal by the party to compromise in any way."

Mr Foot took up the allegations about the so-called entryism into the party of Trotskyist groups. He agreed that "there are some parts of the country where the Militant tendency conducts operations which are a pestilential nuisance to the Party as a whole."

"I hope Party members will

The centre in turmoil

is British political life facing its greatest shake-up for 50 years?

Staff reporters of The Times have been talking to large numbers of voters in several parts of the country about their attitudes to the formation of the Council for Social Democracy by Mrs Shirley Williams and her colleagues, and the possibility that this will break the political mould.

Next week from Monday to Thursday we shall publish four articles discussing their reactions, and on Friday a final article will analyse those findings and, in particular, examine possible variations in regional attitudes.

be aware of what happens, and be on their guard against those who would seek to subvert the party for quite undemocratic reasons."

Mr Foot admitted that a few would leave the Labour Party, "but I believe it will be a few", and they would have to bear a very heavy responsibility at such a moment in the party's history. The vast majority, including the considerable numbers joining the party every week, would stay to help ensure that the greatest days of the Labour movement lay ahead.

Mr Roy Hattersley, opposition spokesman on home affairs, gave a warning in Nottingham that these were difficult days for the party "and we do our momentous service pretending otherwise". The creation of a new social democratic party now seemed inevitable.

"We need to build a party in which the narrow sectarianism of Militant and the intentionally divisive slogans of the Rank and File Mobilising Committee are rejected as wholly unworthy of the traditions of our movement."

"In some branches the spirit of mindless intolerance has taken over. To stop it from spreading we have to act now. The task is not beyond us. The real Labour Party is waiting to reassert itself."

MP resigns whip, page 2

Letters, page 15

Talks on pit closures offered to miners

By Paul Routledge
Labour Editor

The Government last night made known its readiness to meet miners' leaders for talks on the future of the coal industry after the first swathe of pit closures involving 5,600 job losses was announced.

Officials of the National Union of Mineworkers were told at area level meetings that 10 pits must shut over the next year in South Wales, and 10 in Durham. Alternative work would be available for a large proportion of the miners, but many would be made redundant.

New closure announcements will be made every day next week in the run-up to a special union national executive meeting called for February 19 to decide whether the men should be recommended to vote for a national strike in a secret pithead ballot.

Only one area called in for talks, the high-productivity North Nottinghamshire coalfield, yesterday escaped the National Coal Board's axe. Elsewhere, union officials were told that pits must shut to bring the industry's output into line with falling demand caused by the recession.

In Kent, Mr Jack Collins, the union area secretary, led his team out of the meeting after hearing that Snowdown colliery, near Dover, one of the three pits left in the county, was to be closed with a loss of 960 jobs. About half the men would

be found work in the remaining collieries, but 450 will have to leave the industry. The coal board said that Snowdown had lost £21m over the past five years.

As that coalfield confrontation took place, the Department of Energy gave sympathetic consideration to separate requests from the union and the coal board for urgent talks under the tripartite procedure bringing together Government, management and men that was set up after the 1974 strike.

It was made known later that a meeting between both sides of the industry and Mr David Howell, Secretary of State for Energy, would be arranged early next week. It was not clear whether those discussions would be arranged before the miners' emergency executive meeting.

In South Wales, miners' area leaders reacted with cautious anger to the coal board's announcement that five pits were to close with the loss of 2,800 jobs.

The union coalfield executive will meet on Monday to determine what recommendation will be made to an area conference two days later. Mr Emlyn Williams, South Wales miners' president, would not be drawn on what decision would be taken, but I understand that strike action from February 23 is likely.

The South Wales closure programme regarded by the union

Continued on page 2, col 7

Manufacturing slump one of the worst this century

Frances Williams
A sharp fall in manufacturing output during December, while the rate of production in 1980 to 15 per cent, one of the worst slumps experienced by British manufacturing industry this century.

According to provisional government figures published yesterday, production in the manufacturing sector fell by 1.2 per cent in December.

Total industrial output, including mining, construction and the utilities, fell less than manufacturing alone in December by 0.6 per cent, but it was down nearly 12 per cent on a year earlier.

The volume of goods produced last year was back to its level in 1968. The continuing slide in production has serious implications for employment. There can be no hope of slowing down the slide level of joblessness until industrial production stabilises.

The biggest falls in manufacturing employment have occurred in metal manufacture, where 77,000 employees or 17

per cent of the total have lost their jobs. In textiles, about 63,000 employees have lost their jobs (14 per cent of the total) since the middle of 1979.

Another sharp increase in the numbers out of work is certain to be recorded this month. In the past, changes in unemployment have tended to follow about six months behind changes in output.

But, in the present slump, unemployment has risen much faster than might have been expected. Employment in the manufacturing industries has now fallen by 750,000 since the middle of 1979. This compares to the loss of 600,000 jobs in the previous recession in the two years to mid-1976.

Almost all industry groups suffer substantial falls in output last year. Production in metal manufacture fell by a third between the fourth quarter of 1979 and the end of 1980, and textiles, leather and clothing fell by a fifth.

The only bright spots were chemicals, coal and petroleum products, where production was

slightly up in December (despite a fall of nearly 15 per cent in the fourth quarter compared to the same period in 1979); food, drink and tobacco, where output was 2 per cent up on the previous quarter; and mining and quarrying, where production was 7 per cent up in the last quarter of 1980 over the third, reflecting higher coal output and increased production of North Sea oil and gas.

The slump in output last year is principally the result of retailers and manufacturers attempting to run down stocks, which high interest rates have made expensive to finance.

Stocks held by manufacturers are still, historically, at high levels and there is little sign that destocking has come to an end.

But in the coming year, lower investment, weaker export performance and higher imports, encouraged by the strong pound, are likely to take over from destocking as the most important factors depressing output, with no early end to the recession in prospect.

As my members go round people's houses they will get the reaction. The GMWU represents most of the corporation's 40,000 manual workers.

The union's views were supported by the National and Local Government Officers' Association, which represents most white-collar workers. Mr David Straker, national gas officer, said it was inevitable that the corporation and its members would be blamed for the increases.

Trade union leaders are sensitive on this issue because they are engaged in wage negotiations. They have been offered 9.9 per cent against a claim

for 23 per cent, and are anxious to ensure that their prices are not blamed on wage increases.

The scale of this year's gas price increases have been expected for some time. Ministers decided more than a year ago that domestic gas prices were unrealistically low and that in the three final years after 1980-81 they would have to rise by 10 per cent more than the rate of inflation.

Earlier this month, the Government also announced plans to cream £1,300m from the profits of British Gas over the next three years, in another move that has made the corporation staff unhappy.

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Home gas prices expected to rise twice this year

John Huxley
British Gas is expected to announce next week that domestic prices will rise by about 15 per cent from April, with a further 10 per cent increase in October.

The increases, which reflect the Government's energy policy rather than the corporation's commercial needs, will be approved by the board of British Gas on Wednesday.

They have already prompted angry response from unions, especially those representing large numbers of the town-owned corporation's 40,000 employees.

April's increase will be the third in 12 months. In the same month last year domestic prices rose by 17 per cent and there was a further rise of 10 per cent. Electricity prices will also go up by 10 per cent this April.

Mr John Edmonds, national energy officer for the General and Municipal Workers' Union, yesterday described the planned increases as despicable. He estimated that British Gas would report a profit for this year of more than £600m, compared with £425m last year.

"It is a policy of confidence trick," Mr Edmonds said. "The people who will get the blame will not be the Government. It will be the gas

industry. As my members go round people's houses they will get the reaction. The GMWU represents most of the corporation's 40,000 manual workers.

The union's views were supported by the National and Local Government Officers' Association, which represents most white-collar workers. Mr David Straker, national gas officer, said it was inevitable that the corporation and its members would be blamed for the increases.

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Our hostages

eized in Havana embassy

Havana, Feb 13.—Twenty-nine Cubans, some armed, stormed the Ecuadorian embassy today and seized four hostages. They entered to kill the four if the police intervened.

The four captives are Señor Pérez Concha, the Ambassador, Señor Francisco Proano, a Counsellor, Señor Guillermo Ramirez, the Second Secretary, and Señora Mercedes Squer, a Cuban administrative employee.

The group, armed with sub-machine-guns and hand grenades, refused to allow the Ecuadorian ambassador to go outside the embassy to speak with a Cuban official. Señor Benante told the French Press by telephone.

No shots were reported to have been fired but an armed Cuban guard stationed at the embassy entrance was injured in a scuffle.

A member of the group, Señor Rómulo Juan Delgado, said in a telephone call that the group of 19 men, 10 women and six children arrived on foot at the embassy, the first floor of a small

Mr Mike Thomas quits the PLP

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OVERSEAS

Israeli and Syrian jets clash again

From Christopher Walker, Jerusalem, Feb 13

The Israeli and Syrian air forces were involved in another clash today, as Syrian jets shot down a Syrian jet in a dogfight over the centre of the country. According to an Israeli military spokesman, the battle occurred when Syrian aircraft intercepted a patrol of Israeli jets carrying out what was described as a routine reconnaissance flight over Lebanon. He claimed that all the Israeli jets had returned safely to base.

The incident was the latest in a series of clashes between the Israeli and Syrian air forces. There has been concern in diplomatic circles that the individual exchanges may lead to widespread fighting, but this is thought unlikely while relations between Syria and Jordan are in such a delicate state.

In December 31, Israeli aircraft returning from a bombing mission against Palestinian guerrilla targets in South Lebanon shot down two Syrian MIG 21s.

Less than two weeks before the Syrian soldiers were killed during an Israeli ground attack on Palestinian bases, in retaliation the Syrians launched a heavy artillery bombardment against the enclave held by the Israeli-backed militias of Major Sadeh Haddad.

Every day, Syria has kept its ambassador in Jordan despite a deepening conflict between the two countries, Syrian sources said (Reuters reports from Beirut).

Mr Sadat hails Reagan response on Middle East peace process

From Charles Hargrove, Paris, Feb 13

President Sadat, who left France this morning at the end of a two-day visit during which he met President Giscard d'Estaing and leaders of the Jewish community, told a press conference that the European Community could help to keep up the momentum of peace started at Camp David.

He went on of his way to express his gratitude to the French President and people for the support and understanding he had met during his stay in Paris.

He had not come to sell Camp David to the Europeans, but to say to them: "Let us try to combine our efforts. Camp David is not a treaty; it is not a final agreement."

"It is a framework for agreement," President Sadat emphasized, "within which the Europeans through an initiative can help extract full autonomy for the Palestinians. The Palestine problem is the core of the solution to the Middle East problem."

The Community could play a military role in the stationing of forces under United Nations auspices in the Sinai once it had been completely evacuated, to make every party feel secure. "It could also provide economic aid to the region, a regional economic plan to assist in development."

"The Ten can provide a lot in this field," he insisted. "It could have a share in a guarantee of the frontiers agreed upon in the settlement," so that

everyone, both on the Arab and the Israeli side can feel secure."

The Egyptian President emphasized that the European initiative which he welcomed would not diminish what he described as "the essential role of the United States in the search for a settlement."

In an exchange of correspondence with President Reagan, he had insisted that it must continue as a full partner in the peace process if the peace talks were to be successful.

"Without the United States we could not have achieved what we have so far," Mr Reagan's response had been most favourable. Asked whether the Israelis were favourable to an European initiative, he replied he could not speak for them.

Mr Sadat spoke about the so-called "Jordanian option." "I have no objection to Jordan joining the peace talks, but at the proper moment," he said.

He had said in 1974, before the Geneva conference, that there should be a link between the Palestine State to emerge and Jordan. "Jordan has a big part to play immediately after a full autonomy agreement has been signed with Israel and the United States," he said.

The link with Jordan must be forged after the Palestinian State had been established, not before. Mr Yasser Arafat had agreed in principle to this in 1974, but had later denied it.

President Sadat went on to emphasize that it was for the Palestinians to decide their future, not for the United States, Israel, Jordan or Egypt. But he did not think the Palestine Liberation Organization on its own constituted a provisional Palestinian government.

It would be up to a provisional government in which all the Palestinian organizations would be represented to agree on a mutual and simultaneous recognition of each other's existence with Israel.

He had told the leaders of the Afghan rebellion who had come to see him not to fall into the error of the PLO and fail to set up a provisional government.

President Sadat said he had had no contacts with the PLO lately. He had not sent a message to the PLO congress in Beirut, as had been reported. "If they want something, they must come to Cairo," he emphasized, "they will be welcome. But we have nothing particular to say to them."

He repeatedly condemned Soviet sabotage of attempts to achieve a peace settlement in the Middle East. "It was decided at Camp David that we would seek to obtain a multinational force to guarantee the agreements. But when we went to the United Nations to ask for this the Russians would have nothing to do with it and threatened to use their veto."

President Giscard d'Estaing and he had discussed the world situation. The security of Europe and the security of the Middle East are closely linked. Mr Sadat insisted. The French President's and his views on developments in Chad were identical.

Aid agencies seeking food supplies for Vietnam

From Neil Kelly, Bangkok, Feb 13

International aid officials, including some United Nations agencies, are scouring the world for gifts of food and money to feed Vietnam which they say needs 750,000 tons of rice this year to avoid serious malnutrition.

Even if that amount is forthcoming, Vietnam will have enough cereal to provide a monthly ration of only 13 kilograms (about 30lb) a person, significantly less than the amount required for good health.

Relief officials say Western nations which have contributed large amounts of food aid to Kampuchea since Vietnam invaded that country show no willingness now to feed the Vietnamese. Members of the Association of South-East Asian Nations are similarly disinclined to help.

Thailand has cancelled all rice sales to Vietnam since its incursion into Thai territory. The Soviet Union has warned the Hanoi Government that it can supply no food aid in 1981 because of the American grain embargo and other problems. Last year the Russians supplied 850,000 tons.

For the fourth successive year the recent rice harvest in Vietnam failed to meet the Government's target.

Two typhoons during the growing season last year destroyed ricefields in large areas of northern Vietnam.

PARLIAMENT, February 13, 1981

Behaviour of Sandwell Council over policy on closed shop attacked as 'grossly totalitarian'

House of Lords

The local authority which dismissed Miss Joanna Harris, a poultry inspector, who refused to join a trade union, had behaved in a grossly totalitarian manner, Lord Harris of Greenwich (Lab), who raised the matter, said that the police had been imposed by Sandwell Council after Miss Harris and a number of others had become members of the authority's action fund.

Was it true that the authority's action had been unlawful? If it was, were the Government warning that the police had been imposed by Sandwell Council after Miss Harris and a number of others had become members of the authority's action fund?

Many people regarded the authority's behaviour as outrageous.

This young woman (the said) has been put in the position of choosing between her principles of joining a long-dormant union and the loss of her job.

If this matter cannot be resolved under existing law, there is an overwhelming demand for a change of law.

Lord Lloyd of Llangynidr (Lab) said the Government was reviewing trade union immunities in connection with the proposed Social Security Bill. He then turned to the question of the law.

All of us are aware of the sense of outrage and indignation which has been aroused, all round the country.

The matter of a surcharge against members of the council is the subject of a bill in the House of Commons.

The question of any penalty or fine will be decided by an industrial tribunal as far as we are aware. That is her right.

Lord Harris of High Cross (Ind): The Secretary of State for Employment wrote to Mr Norris McWhirter on February 4 and after condemning the council's ruthless and inhuman closed shop said: "It is clear that what Sandwell are proposing is unlawful under the terms of the recent Employment Act."

Will Lord Lloyd repudiate the Secretary of State's view that the Act which passed the House regrettably without amendment of this clause, specifically licenses employers who sack employees in these circumstances, and force them off with the possibility of compensation if they go to an industrial tribunal?

Lord Lloyd: I would not repudiate anything which the Secretary of State says. (Laughter) Far be it from me. He speaks of the Act fobbing off but it does no such thing.

It strengthens the position of the Secretary of State under the 1980 Act. If the employee's case is proved in the employment tribunal, he stands a large sum in compensation.

Lord Bruce of Donington (Lab) for the Opposition: Will he bear in mind that there are always people to an employer who are prepared to be employed at rates of pay and under conditions of work which have been gained for the industry and the community?

House adjourned 7.30 pm.

Pretoria 'flying arms' to Mozambique rebels

From Nicholas Ashford, Johannesburg, Feb 13

A deserter from the Mozambique National Resistance (MNR), which opposes the Pretoria-run Government, has said that the organization is being supplied with South African arms.

Mr Hose Martins Gilberto, a radio operator, told a press conference in Maputo today that military supplies were being flown in from an air base in the Gansokulu mountains not far from the Mozambique border.

The claim has been denied by a South African Defence Force spokesman who said in Pretoria that "certain neighbouring states are obviously trying to influence world opinion."

However, there are growing indications that the organization may be receiving backing from South Africa after the loss of support bases in eastern Zimbabwe at independence.

During a Frelimo attack on a MNR base at Sitatunga in Manica province last August, quantities of South African arms and ammunition were seized.

According to MNR supporters who were captured on that occasion, the organization was supplied by South African helicopters and Nord Atlas transport aircraft which brought in weapons and ammunition as well as food. South Africans had also acted as military instructors in the camp, it was alleged.

The MNR has been a thorn

in the side of the Mozambique Government for the past two years. Despite several military successes by government forces, including the capture of MNR bases at Gorongosa and Simbonga, the organization has continued to ambush vehicles, attack government installations and blow up bridges.

South Africa's attack on houses inhabited by members of the banned African National Congress (ANC) near Maputo two weeks ago has already placed a strain on South African-Mozambique relations, which until recently had been maintained on a discreetly business-like basis because of the economic interdependence between the two countries.

The new allegations may serve to reinforce Mozambique suspicions that South Africa is adopting an increasingly aggressive attitude towards its black neighbours.

Mozambique officials point out that not only are the South Africans actively supporting the UNITA dissident movement in southern Angola but have been accused by Zimbabwe of training about 8,000 troops loyal to Bishop Abel Muzorewa, the former Prime Minister, as a destabilizing force in Zambia.

President Samora Machel of Mozambique is to address a mass rally in Maputo tomorrow at which he will explain the "reasons and circumstances" of the South African raid against the ANC houses. He may also take the opportunity to refer to the deteriorating relations between the two countries.



President Obote declaring that the recent guerilla attacks had failed to win their objectives.

More Uganda politicians arrested

From Charles Harrison, Nairobi, Feb 13

The Ugandan authorities have made more arrests of prominent politicians, including Mrs Rhonda Kalema, a former assistant minister, in the wake of the attacks on police stations and posts for which an unknown group, the Uganda Freedom Movement, has claimed responsibility.

President Milton Obote, making his first public appearance since the attacks, told reporters at Entebbe last night that the Uganda Freedom Movement's claim to control territory in the west of the country was false. "They control nothing," he said.

Nevertheless, efforts to track down the organizers of the attacks are still continuing.

and it appears that the Ugandan security forces have had little real success. They have been resorting instead to looting some of the homes they have been searching in what is said to be a hunt for illegal weapons.

Kampala itself is still tense. Local residents have great difficulty in obtaining supplies of basic foods.

It is impossible to put a figure on the cost of the measures proposed in the Bill. The Government would rather see any money available used to strengthen the position of existing Gaelic cultural organizations.

Education authorities were best placed to decide whether and to what extent they should provide for the teaching of Gaelic, hearing in mind local needs, wishes and aspirations as expressed through locally-elected representatives.

He doubted if the imposition of a statutory requirement that she should be put in that position by this local authority behaving in this grossly totalitarian manner.

Lord Lloyd: We agree. It is the industrial tribunal, which can require the employer to reinstate a dismissed employee. We should not judge it. The case will go to appeal next month.

The Wildlife and Countryside Bill's committee stage was continued and adjourned.

House adjourned 7.30 pm.

Gaelic prospers without a Bill

House of Commons

The Gaelic (Miscellaneous Provisions) Bill offered a small measure of aid to one of the most ancient languages of Europe which was part of the heritage of every Scot, Mr Donald Stewart said when moving the Bill's second reading.

Mr Stewart (Western Isles, Scot Nat) said a public opinion survey carried out in Perth last October showed that 77 per cent of people believed Gaelic should be recognized as the national language of Scotland and 88 per cent wanted to see it continue as a living tongue.

The 1971 census showed there were 89,000 Gaelic speakers which was an increase of 9,000, and the first recorded increase. There had also been the phenomenal success of the Gaelic language in the BBC which had taken everyone by surprise.

Gaelic was a priceless heritage, which was very much alive, and which needed only the status provided in the Bill to make the language's survival and development certain.

His Bill defined Gaelic speaking areas as the Highland region, the Western Isles, Islands Council, Argyllshire and Inner Hebrides, and Perthshire and in those areas education authorities would have a duty to teach the language in schools.

There would be a right for language to be spoken in any legal proceedings in Scotland by any party or witness and to have Gaelic versions of statutory forms.

The Bill also proposed the setting up of a Gaelic Broadcasting Committee, consisting of representatives from the IBA and BBC.

He had received representations from such a committee could be across the powers and the responsibilities of the Broadcasting Council for Scotland and it had been suggested the spirit of the Bill should be to strengthen the proposed committee was advisory rather than mandatory.

If the BBC and IBA gave assurances that they would state available under the Bill, he would lodge amendments to that effect.

William Walker (Perth and East Perthshire, C) said while he was in sympathy with any attempt to improve Scotland's heritage and image, he was reluctant to introduce legislation of any kind on any matter that did not ensure funds to back it up.

Mr George Robertson (Hamilton, Lab) said he did not believe the fanatical view that this sort of culture must be imposed on those who did not wish it but he supported the Bill on modest principles.

Mr Albert McQuarrie (East Ayrshire, C) said the areas defined in the Bill for the promotion of Gaelic were divisive to the rest of Scotland. But it was a modest proposal for those who wanted the language.

Mr Gordon Wilson (Dundee, East Scot Nat) said he congratulated Mr Stewart on his Bill. However, while he was in favour of the Bill, he would not support it to apply to the rest of Scotland. If it went too far too fast, the House might not accept it. He thought there would be no step forward.

Mr Martin O'Neill, an Opposition spokesman on Scotland (East Ayrshire and Glasgow, Lab), said the Opposition gave qualified support to the Bill. They would like to have on the proposed Gaelic Broadcasting Committee representatives of organizations which had an interest in the promotion of the language.

Mr Alexander Fletcher, Under Secretary for Scotland (Edinburgh, Lab), said the Government wanted to see the Gaelic language and culture enhanced and developed, but it did not necessarily require statutory support and encouragement for the language with support for the details of the Bill.

The Government had given financial and other support for the language and culture and would seek where possible to enhance the position of the language.

The main instrument for developing Gaelic must be the strength and initiative of Gaelic speakers themselves. The Government would rather see any money available used to strengthen the position of existing Gaelic cultural organizations.

Education authorities were best placed to decide whether and to what extent they should provide for the teaching of Gaelic, hearing in mind local needs, wishes and aspirations as expressed through locally-elected representatives.

He doubted if the imposition of a statutory requirement that she should be put in that position by this local authority behaving in this grossly totalitarian manner.

Lord Lloyd: We agree. It is the industrial tribunal, which can require the employer to reinstate a dismissed employee. We should not judge it. The case will go to appeal next month.

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Russia back on attack against US

From Michael Binyon, Moscow, Feb 13

The Russians again returned to the attack today on President Reagan's charges that they were supporting international terrorism, calling the accusation "absurd" and maintaining that "only ignorance or malice could couple terrorism with national liberation movements."

Pravda called the charge an "outrage" to the aspirations of millions of people in Asia, Africa, and Latin America who had struggled against colonialism for their freedom.

The paper said it was "blasphemous" to accuse the Palestinians of terrorism while ignoring Israel's "monstrous crimes" in the occupied territories, and it denounced American support for the military government in El Salvador.

Meanwhile, Tass issued several more commentaries on the issue today, accusing the Americans in turn of supporting terrorism. "American support for terrorism is a crime," it said. "The American government in Washington did not like to be automatically put down to the actions of terrorists. A Soviet weekly denied that the Russians or Cubans had ever instigated any liberation movement to take up arms. Such movement had arisen only because oppressors left people no other way to freedom."

The torrent of angry denials of the terrorism charge suggests that the Americans have touched a very sensitive Soviet nerve. The Russians clearly see the assertion as a challenge to their ideology.

American protest: The United States has lodged a "strong protest" with the Soviet Foreign Ministry, claiming Soviet military men violated United States Embassy grounds and seized a Russian trying to get into the consular section, a spokesman said in Moscow (AP reports).

US Marine turncoat discharged

Camp Lejeune, North Carolina, Feb 13.—Private Robert Garwood, the American Marine convicted last week of collaborating with the Vietnamese, was today ordered to be dishonourably discharged from the service, but not given a prison sentence.

The five-officer jury could have put Mr Garwood, the only American turncoat of the Vietnam war, in prison for life. They deliberated less than an hour on his sentence, which included demotion to private before his discharge.

Mr Garwood, who spent 14 years behind enemy lines, did not challenge the charges but said he was driven insane by Vietcong torture.

In a statement read to the jury by his lawyer, Mr Garwood said he accepted the accusations by former prisoners of war and agreed with defence psychiatrists that he was sick.—UPI.

Compromise plan saves Nigerian coalition

From Karan Thapar, Lagos, Feb 13

A compromise has been worked out between the two partners in Nigeria's Government after fears that the coalition might break up. According to the chairman of the Nigerian People's Party (NPP), the junior partner, the coalition will not be broken, despite strong pressure to the contrary, but NPP members of Parliament will be "free to vote as they wish."

The NPP chairman said: "We will not tolerate a situation in which the National Party will on its own dictate the tune to our legislators."

As it was the NPP voting against the Revenue Allocation Bill that brought the present

crisis to a head, this new arrangement can be no more than an attempt at buying time. Whilst the NPP is divided on whether to continue the accord, the president's own National Party (NPN) appears to be determined to end it.

It was with this in mind that NPN senators yesterday rejected the nominations of all four NPP ambassadorial nominees. The other 22 were passed by a mere voice vote.

It is expected that this action will strengthen the hand of the anti-coalition NPP members. Commenting on the rejection of the NPN senators, the NPP spokesman said: "If the NPN wants to run the Government alone we wish them the best of luck."

Corporals jailed for plotting Jamaica coup

Kingston, Feb 13.—Two corporals in the Jamaican Defence Force, Athle Swaby and Philbert Trenchfield, have been sentenced by a court martial to 10 and five years imprisonment respectively for their part in a plot to overthrow the government last year.

The prosecution said that the two corporals, together with Henry Charles Johnson, leader of the small Jamaica United Front Party, planned to capture Mr Michael Manley, the then Prime Minister, and Brigadier Robert Neish, the Defence Force Chief of Staff, last June. They allegedly planned to force Mr Manley to resign so Mr Johnson could take power. — Agency France-Press.

Two UK moves on sugar rejected

European Parliament

The Tate and Lyle cane sugar refinery in Liverpool would close in April unless there was some change in EEC policy, Mrs Barbara Castle (Glasgow, Manchester, North, Scot Nat) said today.

On behalf of the Socialist group, she said that 1,500 men and women would be turned out of work. At the same time, the Government would be closing down a sugar refinery in the cane sugar refining capacity in the Community with a loss of 1,500 jobs.

A resolution tabled by Mrs Castle calling on the Community to take urgent action to help it could give to prevent this closure together with steps to ensure the maintenance of adequate sugar refining capacity in the EEC, was rejected, as was another motion

from Miss Gloria Hooper (Liverpool, ED) calling for sugar quota reduction and urgent consideration to be given to the Lome Convention and the Community's ability to fulfil its obligations under it.

Mrs Castle said there was no guarantee that the amount of cane sugar imported by the United Kingdom from the ACP countries under the Lome Convention would be absorbed. This was a problem at the door of the EEC which had a surplus of 1.3 million tons of cane sugar.

Miss Hooper said the cane sugar industry in Europe had two operating refineries compared to the sugar beet industry. The first was that the price cane sugar refiners must pay for their cane from the ACP was higher than that paid by sugar beet refiners for beet.

Second, the EEC in encouraging the growth of sugar beet in

recent years had created a sugar surplus. This was then sold on the world market and affected world prices. This made exports of cane sugar from the United Kingdom unprofitable.

Mr Andrew Pearce (Cheshire, ED), said the system seemed to disregard the obligations of the Lome Convention and this was a golden opportunity for the Community and Commission to do something.

Mr Hendrik Louwes (Netherlands, LD), said the last cane refining factory in Holland closed as long as 1958 and it had been known for a long time that the same would have to happen at Liverpool. These were long-term developments and what they were hearing were crocodile tears from the British. He could not detect any need for Community action.

Blast damages Assam oil pipeline

From Trevor Fishlock, Delhi, Feb 13

One of two pipelines carrying oil from Assam to a Bihar refinery was damaged by an explosion today. The attack came 17 days after an oil blockade by student agitators ended.

The students were demanding that Bengali immigrants in the region should be deported, and that grievances should be redressed.

The oil blockade which lasted 13 months was a serious matter because Assam provides more than a third of India's domestic oil production.

The Government avoided confrontation with the agitators, seeking to end the trouble through talks. The restoration of oil supplies from Assam to the rest of India at the end of January, marked a change in the tormented political and social atmosphere in Assam.

But the attack in central Assam on one of the 750-mile pipelines is an indication of the strength of feeling among some Assamese.

While the damaged pipeline is under repair oil is flowing through its twin.



Turkey tries 82

Ankara, Feb 13.—The military prosecutor demanded the death sentence for 30 of a group of 82 leftists who were tried in a martial law court in Ankara today charged with plotting to set up a Marxist state.

Pakistan takes lead to prevent Afghan question being dodged

Non-aligned issue 'troops out' call to Russia

From Trevor Fishlock, Delhi, Feb 13

The movement of nations professing non-alignment tonight restored some of its credibility by finally agreeing to call on the Russians to withdraw their army of occupation from Afghanistan.

The "troops out" demand from the conference on the movement's foreign ministers recently held in Moscow, seemed to indicate that the non-aligned movement is steering in a new direction.

Seven years ago, President Brezhnev sent a message to the non-aligned summit in Algiers that the socialist countries were the natural allies of the non-aligned movement.

That theme was promoted strongly by Cuba at the Havana summit two years ago. But the

Soviet occupation of Afghanistan has led to some disillusionment with Russia, as well as concern within the non-aligned movement.

The Russians have been watching events in Delhi this week with some anxiety. Worried about their image in the developing world after the occupation of Afghanistan, they have recently been repeating that non-aligned countries should regard the Soviet Union as an ally. The conference's declaration calling for them to withdraw from Afghanistan is plainly a blow.

In the mind the diverse nature of the movement and the leanings and loyalties of members and groups, the Afghan question was bound to be the prickliest subject in non-alignment's 20-year history.

Many members were convinced that unless the confer-

ence said the Russians should call home their 85,000 soldiers, the movement would lose any claim to respect. There was strong and impatient feeling that the Afghan question was too important to be dodged.

Pakistan took the initiative, insisting the conference should address itself to Realpolitik and stop being evasive. Mr Agha Shahi, Pakistan's Foreign Minister, was an impressive leader in moves urging the conference not to be ambivalent.

A "troops out" phrase was argued into the draft declaration, but in the small hours of this morning, when delegates were weary, Yemen managed to alter Afghanistan's nomenclature to Democratic Republic of Afghanistan.

Delegates were too tired to notice what had happened, but there was dismay when it was realized that to describe

Afghanistan in that way would be tantamount to the non-aligned movement giving recognition to the Russian-installed Kabul regime.

Only after hours of intense activity were the mischievously inserted offending words deleted.

The conference also reaffirmed the right of the people of Afghanistan to determine their destiny free from foreign interference.

The conference expressed a "profound regret" at the war being fought between the non-aligned neighbours Iraq and Iran.

In keeping with what is a tradition of the non-aligned movement, the conference was characterized by dissonance. But eventually it haggled its way to a form of words suggesting harmony.

Leading article, page 15

Gardening Clean cut swords

Once again this year there are no dramatic developments to report in the field of motor mowers, cultivators and other mechanized garden equipment. There have been improvements in design, reduction in noise, easier starting of petrol driven machines and attention to safety but of course the general trend has been for prices to rise, in some cases by as much as 20 per cent or more.

So if you are contemplating the purchase of any but the smallest, simplest, cheapest machine I strongly advise you to seek out a supplier that can either demonstrate machines on their premises or bring a selection of machines to your garden for you to try yourself. You would not I am sure buy a new car without first having driven it around a block or two and I would never buy a garden machine without giving it a trial if only to make sure I could handle it with complete confidence. It may mean doing some research in the yellow pages of the local telephone directory to find a firm that will give this service but it is well worth taking some trouble to make sure that you are getting the right machine for the work it will have to do in your particular garden.

For really close mowing on fine lawns the cylinder type machines are still the best. But the latest generation of rotary mowers do cut the grass to an acceptable lawn length and there are now models with a roller on the back which leaves the light and dark banded appearance on the lawn. It only lasts a day or so and as far as I am concerned if the grass is neatly cut I could not care less about the banded cut.

Of course the roller type rotary mower has the advantage that one can mow up to the edge of a lawn whereas with some rotary mowers that have four wheels this is not possible. There are, however, models in which the blade or blades actually cut an inch or two further out on the wheels, so that if you manoeuvre the machine carefully you can cut to the edge of the lawn without the wheels slipping over the edge.

Rotary mower blades revolve at very high speeds—3,000 revolutions a minute or around 200 mph. The blades can fling out stones, bits of wire, glass or children's toys at this high speed which can be dangerous, even lethal.

Some rotary mowers have a grass box, or catcher which is attached usually to one side of the machine. Look for a steel cover over the discharge opening. It will prevent objects

from being flung out when the grass box is not being used, but is lifted out of the way when you attach the box to the mower.

Now that the main patents on the original hover type mower that floats on a cushion of air have run out, several firms are producing this type of machine—Qualcast, Axco and Crown. As far as I know the only hover type mower which is fitted with a grass catcher is the Flymo DXE model and in a trial run with it for a few weeks last summer I found it a very serviceable machine.

Of course, with these mowers there is always a hazard if they are used stupidly. Most accidents with them have occurred when the operator has been cutting grass on a steep bank and has slipped and has dragged the machine over his feet.

A hover mower is splendid for cutting grass on banks. You can tie on a length of rope, stand firmly on level ground on top of the bank and lower and raise the machine up and down the bank in perfect safety.

A simple yet ingenious development has been the use of small-meshed plastic for grass boxes. A better air flow is obtained in these boxes resulting in better grass collection and a reduction of noise, because the old solid boxes seemed to act as an echo chamber which amplified the engine noise.

Some of the newer petrol-driven mowers are easier to start because of improvements in the design of the engines, improvements in the carburetors and with the introduction of what is known as "solid state" ignition. I do not pretend to understand what this means, but I gather that it supersedes the type of ignition which involved contact breakers that died out from time to time and made starting difficult. So one other desirable attribute to ask about in your search for the mower you will love and cherish is solid state ignition.

The manufacturers have also been working on the better silencing of the engines and again if you wish to live in harmony with your neighbours this is something worth checking on.

I am told that sales of "ride-on" mowers have shot up spectacularly in the past two or three years. This is not surprising because garden owners who cannot find garden help or who do not wish to pay £2.50 to £4 an hour for it are now forced to do much of the garden work themselves. Cutting large areas of grass, trotting behind a large rotary machine

is trying work on a hot day if you are not used to it.

There are various machines available from around £500 to £700. There are, of course, the higher priced range, the mini-tractors which perform much more arduous tasks than cutting grass.

As this is the Year of the Disabled I must mention again the Springfield ZTR ride-on mowers. There are three models, but all have a unique system of controls ideal for the handicapped, elderly and, of course, for the able bodied. There are no foot pedals. No hand controls to worry about. You just have two levers, which you press forwards to go forwards and the harder you press the faster you go. Pull the levers backwards and you go into reverse, move the left lever forward and you turn right, move the right lever forward and you turn left. The machine is so manoeuvrable that it can be turned round full circle within its own length.

The machine will give a 30 inch cut in the smaller model and a 42 inch cut in the larger model. It has power steering and power brakes. If I had half an acre of grass or more to cut and £230 would without hesitation buy this Springfield ZTR machine. There is no other machine to compare with it if you have difficulty finding one, contact Bob Andrews Ltd., Summingdale, Berks, the main distributors.

It would be unfashionable, I suppose, today, not to bring Japanese machines into any discussion about garden equipment. Honda have moved into the British market and have produced some good machines. There are rotary mowers and rotary grass cutters. The Japanese produce quiet engines, the quality and reliability of their machines is good. They have not yet produced a rotary mower with a back roller. The Honda 21 rotary mower is worth considering, but if you prefer to buy British compare it with the Mountfield MS.

Like my colleague Philip Howard I am concerned about the despoiling of the English language by the infiltration of foreign words, mainly from America, with dubious meanings. First we had this horrible word "planter" to describe a tub, window box or other container in which to grow plants. For me a "planter" is somebody who plants plants. Now we have another word from the USA, the word "Mulcher", applied to a rotary grass cutter. There is considerable doubt about the desirability of leaving the mowings on the lawn. On some soils, in some periods of drought, leaving the cuttings to lie may help the lawn. Or the "thatch" as the professional groundsman call the matted layer of decaying cuttings may be harmful to the turf.

Personally I think that it is unwise to use the word "mulch" in the sense of allowing the mowings to lie on the grass. The word "mulch" so far has been used to describe layers of organic material applied to the ground to feed plants and conserve moisture. I think it is premature to mean that mowings left to lie on a lawn can act as a beneficial mulch in the accepted sense of the word in all gardens and in all seasons.

Roy Hay

Travel

A spot of rum and Horatio



One of Antigua's silver beaches: they say there are 365 of them

The sun shines from a brilliant sky, decorated with rocco clouds. Silver beaches, curling like the moon, are rinsed by the sea, while the ocean breaks over protective coral some hundreds of yards away. Trade winds bend the coconut palms and cool the sunbathers.

Antigua claims to have 365 such beaches and I would not doubt it. Around the beaches are water sports, snorkelling, water skiing, sunfish sailing and the rest (generally provided free by your hotel). Some hotels make a feature of tennis, with a court for every 10 or so rooms, and a full time pro. In the season, tennis week with pro-am tournaments and some nearly big-name is a draw for many, in the post Christmas lull. Sailing week later in the year is a major event.

Then there is the rum. The island boasts its own distillery, producing Carib and Old Mill brands—both terrific—and rum punches come at you from all sides. Rum comes with ginger or by itself. It comes disguised as a coconut milk shake in a pina colada or like a fruit sorbet in the frozen daiquiris sipped by many at the swimming pool.

Sun, sea, sand, sport and rum: if you can be content with that for your holiday, then Antigua is the place. It is one step from London by air in a British Airways jumbo, and though it is not cheap by European standards, it is cheaper in the out of season months.

The season runs from around December 15 to April 15, and is largely geared to folk from the northern US and from Canada escaping from the appalling weather there are cursed with. With the recession, and the need to find employment for their fast-growing population during the rest of the year, the Antiguaners are turning to Europe to supply increasing numbers of tourists in the summer and autumn months.

Sometimes during these months the rainy season is supposed to fall. But when that depends on who you ask. Some people will tell you that May is the best month, others declare that it's the worst. In fact it never rains very much—an hour or so a day even at the wettest time of year, and then in strictly limited areas—for Antigua is a dry island. It lies

low and has suffered in the past from extended droughts (though there is a hilly area of the island where the lush tropical vegetation is abundant, it is called Fig Tree Drive, figs being what they call bananas locally).

Actually much of the vegetation and salad you will eat in your hotel will have been imported, like all the meat, though virtually none of the seafood. It does not indicate a specially high standard of gourmet cooking, and indeed the hotel food tends to be bland and international in character with a predominance of steaks and hamburgers. But the seafood is good. Local crayfish (they call it lobster) is hauled from the seabed each day, and there are good harvests of snapper, grouper, kingfish and barracuda, conch and shrimp.

Local restaurants, where one may sample West Indian cuisine and mingle with the students are regrettably few, but it is worth trying The Yard, slightly up-market and tourist-orientated, or Brother B's very local, where the Antiguan middle class meet each other for exchanging views and gossip. Both are in the ramshackle downtown area of St John's, the capital. A pleasant seafood restaurant, the Cockleshell, is a few kilometres outside town.

The major historic site on the island and well worth a visit is of course Nelson's Dockyard. Captain Horatio Nelson, RN, in command of the Boreas, was stationed here for a time, and careful and thoughtful restoration has turned it into a living museum. A tasteful hotel has been built in the Ad engineer's house, called the Admiral's Inn. The copper and lumber store has been turned into attractive (and expensive) apartments. The commander's house turned into a museum with historic relics including a four-poster bed that Nelson is reputed to have slept in.

The following hotels are recommended: Curtain Bluff. Excellent taste, strong tennis facilities and interest, and the best wine cellar in the island are the strong points of this 50-bedroom American run hotel. US\$180 per double including breakfast and a car per day until April 15, then \$110 per day until December 15.

Half Moon Bay: Idyllic setting, strong sports influence

(tennis and golf) with a Georgie manager who used to play for Bishop Auckland and luxurious rooms opening straight on to the beach make this a favourite. US\$145 per day for a standard double until April 6, dropping to \$90 for the summer.

The Admiral's Inn: Brick built with the products of ships' ballast, this is the delightfully converted house in the Nelson's Dockyard. The bridal suite boasts its own four poster. Nine bedrooms, the best at \$92 double per day with breakfast and dinner in the season, \$68 from April 16 to December 15.

Halcyon Cove: Big American style (100 rooms) hotel on the most popular mile-long beach in the north of the island. Formerly Court Line, now British-run on behalf of the Antiguan Government. Panoramic restaurant at the top of a hair raising bus ride. \$155 per double per day, plus breakfast and dinner in the season for a standard room; \$132 from May 1 to December 14.

Halcyon Reef: At the other end of the island and not to be confused, this former Holiday Inn is beautifully located and well-designed around a pool with a view. Winter rate \$156 double with breakfast and dinner from April 15 to December 14 \$90.

Barrymore: More a businessman's hotel than a resort, but built round an attractive pool, close to the capital of St John's. Family-owned by Antiguan of French descent. \$38 per night, double with all meals extra in the winter season, and \$28 in the summer.

Antigua Beach: The oldest hotel on the island, and still with a slight touch of Somerset Maugham. \$120 per night double, with breakfast and dinner in the season. On a quiet lagoon Catamaran's. On a quiet lagoon close to Nelson's Dockyard, this is a more modest hostelry, with 11 rooms opening directly on to the beach. \$48 for the room only (double), in winter, but \$35 from May 6.

All prices quoted will have 15 per cent added—10 per cent for gratuities plus 15 per cent tax. Package tours to Antigua feature in Speedbird and Sovereign holiday brochures, and are in (among others) Thomas Cook, Knott, Wings, Pegasus, and Rankin Kuhn programmes.

Michael Hamlyn

Clive Barnes/New York Notebook

Hysterical drama

The difficulty with Richard Foreman's ontological-hysterical theatre is that in at least one startlingly real way it is more ontological and hysterical than theatre, and I say this merely by way of definition, and in no sense as an adverse criticism.

Ontology is that part of metaphysics that relates to the essence of beings, and therefore to the abstraction of their concept. Hysterical in its general sense suggests an unnatural emotional reaction to a stimulus.

Here at once we have the two major intellectual elements to Foreman's theatre of metaphor and heightened reaction. This is, of course, still theatre. I am beginning to think that anything that takes place in a theatre, including the audience, is theatre. But for people expecting a well-made play by Ibsen or even the wild aggressive imagery of an unnamed wild spring first to American minds.

In Europe, America's avant-garde theatres, or to use a more relevant term, "alternative theatres," are widely admired. Europeans with former classic theatrical backgrounds and perhaps less concerned with theatre simply as show business, are more interested in almost unhealthily interested in new but at others can show the American artists that America itself often neglects.

Now Joseph Papp has brought the ontological-hysterical under the protection of the New York Shakespeare Festival's public theatre—there will be fun and doubtless squalls ahead, but it is a good move from all concerned. The first offering at the public theatre was *Penguin Toughest*, a new work very typical of the troupe, but perhaps not top-drawer Foreman, who in recent years has seemed happiest in his collaborations with the composer, Stanley Silverman.

This intense and dense work does not have a story—although it is far from abstract—and the remnants of a theme, like the fierce flickerings of a dream that you might have dreamed the night before, are very evident. The work has been written, directed and scored by Foreman, the scenery is by Heidi Landesman and Foreman himself, the costumes are by Carol Oditz, the lighting by Pat Collins, the sound is by Daniel M. Schreier. When the audience gets to the theatre it is given some kind of plot summary. It would be well advised not to read it. It will certainly confuse and possibly annoy.

The text itself is profoundly influenced by Gertrude Stein, both in its purposefully circuitous writing, and in its tender mock profundities, each one of which is like a fortune cookie of experience. There are other influences as well, including that strange pop-culture of British humour, which has been written in the Marx brothers and Helzapoppin and developed into radio's *The Goon Show* and TV's *Monty Python*. Yet *Penguin Toughest* is a visual rather than literary experience.

In a somewhat similar fashion to Wilson's *As the Theatre* it is attempting to create a first-hand experience rather than the second-hand experience the theatre normally provides. To this end it uses surrealism, that shock of difference, the crazy juxtaposition of realistic nonsense, in fashion dangerously more akin to Salvador Dali than René Magritte.

However, Foreman's stage pictures are always wonderful to look at. Here in this pointless, over-the-top, melodramatic, full of pretty women (including the great beauty Kate Manheim) Foreman is using a Belle Epoque Parisian brasserie—his favourite place and period—and flashes down his symbols there. This is a baller with words and actors—I was reminded of Sade's *Relache* recently reconstructed by the Joffrey Ballet—and it is the kind of theatre piece that demands new eyes, ears and reactions. Sometimes it will assail the audience with violence—bright lights are shone on it or it is subjected to almost unbearably loud dissonant sound. Sometimes it doesn't worry one. At both the beginning and the end there is a recording of mocking laughter. Is Foreman laughing at us? I think not. Much more he is inviting us to laugh and enjoy his visionary, fragmented world of hallucination and dreams.

The Americans and the British talk English loudly to the rest of the world and trust that they will be understood. We presume that English is the new Esperanto, a universal language that the world should learn. There is some arrogance here, and some commercial dangers, which nations such as the Japanese are already slow in showing us. And in the verbal arts—particularly the theatre—it makes the United States and Britain dangerously insular. We have a sure sense, in both countries, that fundamentally if a play is not written in English, it was scarcely worth the writing. We in New York usually, although less frequently, the greatest of the world's dance companies, but hardly ever see a major foreign theatrical company—unless it's British.

Most amusingly, Christopher Marín arranged for his CSC repertory to offer the English-language premiere of *Gilles de Rais* (Bluebeard), which is now running in repertory with the company's much praised *Shakespeare's Festival*. *Planchon's* play is a shocker. Gilles de Rais was an enormously rich French nobleman—he assisted Joan of Arc against the British—a soldier, artistic dilettante, sadist and murderous pedophile. There is nothing commendable that can be said about Gilles de Rais—with the possible exception that he maintained the courage of his vile conviction.

Planchon makes no apology for this human, inhuman monster. He presents him for display, and perhaps does display some qualities of resilience and loyalty that sometimes the worst of men have, hell-bent to help. The play is part spectacle, part Grand Guignol—in that specifically French horrific theatrical genre—and yet, part epic. It is a paradise not lost but never searched for, with Satan as its horrendous hero.

The difficulty of the production is that, although Planchon was himself present for the last week of rehearsals, Christopher Marín, both as director and principal actor, has taken on more than he can possibly handle. He alone must care. The role of Gilles de Rais is meant to be played by an actor of enormous personal presence—actors such as Raul Julia or Richard Dreyfuss spring to mind. Marín does not have the stature, but he has a wonderful theatre. He is an adequate actor, but cannot expect to shine in what at times dangerously resembles an ego excursion into *Star Wars* where he is not an able combatant.

This is Jean Genet view of life. An Artorian recond view of the theatre, but such concepts must be cut with knife-clean clarity. Here—partly through the fuzzy performance of Marín himself—such clarity was lost. He is looking at an essentially epic play, through a glass darkly.

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Once upon a time, you could
be certain about what being
English was, in the matter of
food and its provision in public
places. "Beetroot in vinegar
and boiled cabbage cut in sec-
tions" were among the denoters.
T. S. Eliot chose in *Notes for
a Discourse on the History of
Culture*, and one searches in
vain for the contemporary
equivalent in all those places
whose owners, in naming them,
display a modern or archaic
contempt for the apostrophe.
Strumpets, Hoggers, Beddingtons
and the like, is the national
emblem of such places avocado
with prawns?

Several of the places featured
below follow the fashion as far
as nomenclature goes. For in-
stance, there is a Mr Kenward
in Kenwards, a Mr Brown in
Brownies, and there may conceivably
once have been a Mr or
Mrs Tatler in Tatlers; dis-
appointingly, Upstairs is not
run by a Mr Upstairs. Any other
resemblance between their res-
taurants and the irrelevant
consequence of the preceding
paragraph can be discounted,
for they all have in common
what would have been con-
sidered a few decades back a
most un-English interest in
cooking with a preference for
mildly unconventional food.

John Kenward, in the Lewes
restaurant that used to be
Nicheiro, sounds almost aggres-
sively English as you read down
his list of specialties: roast
veal with russets, Eccleston pie,
cockerel in elderberry wine
(tell that to the Burgundians),
mulberry ice-cream and so on.
He is also by profession an
architect, like several of our
best restaurateurs, and archi-
tects are notorious push-overs

for both antiquarianism (at
home) and modernism (in the
office). But the pleasure
Sussex people are taking in this
unemphatic basement is more
basic: Mr Kenward clearly has
a passion for his new métier,
and his principles in the matter
are political, robust but as un-
bendable as a Frenchman's:
you cook what the locality and
the seasons provide; you eat
your vegetables firm and your
game livers bloody; and if this
displeases, there are other res-
taurants up the road.

The earliest reports received
quickly noted the "unfussy,
totally fresh" food, especially
the Newhaven fish, and the
crunchy mangle-tout peas with
a fennel sauce, eaten as a pre-
lude to kid with sweet herbs,
"delicately done and quite
pink in the middle". At a test
meal, pork with sweetbreads
and cider tasted as though it
had been cooked too fast, but
the artichoke soup, the vege-
tables and the fennel and Per-
nod ice fully atoned for the
mistake. A vegetarian soup
of blue cheese and parsnips is
also offered. So is Breakey
Bottom white wine for Sussex
patriots. "Perhaps the '79
vintage is better than the '77",
says one of them hopefully.
Prices of most wines are any-
way low enough to allow experi-
ment, with locally bottled
beers, the best of single malt
whiskeys, and West Country
ciders and mineral waters as
alternatives.

East Anglia, for reasons
going back at least as far as
Turnip Townshend, seems an
obvious region for anglophilic
restaurants. Timothy Brown
and John Adams clearly enjoy
themselves a lot in their little

Georgian house in Bungay, re-
decorated for fun when they
are not cooking for money, and
though the reputation of
Brownies has hitherto been
mainly local, in spite of its
appearance in a couple of
Guide editions, recent inspec-
tion suggested it would be easy
to travel farther and fare worse
in search of such robust dishes
as game pie (£5.50 with vege-
tables) and venison wrapped in
good puff pastry, served with
a mustard and mint béchamel.

The mussels in cream, wine
and herbs that began the meal,
and the rare, creamy water-
cress that ended it, maintained
the standard well. It is only
fair to add, though, that
another couple, who for what-
ever reason ate much less well,
were further frayed by "the
self-congratulatory atmosphere
—encouraged by 'a visitors'
book full of the usual effusive
comments".

Tatlers in Norwich does not
have what it takes to act in a
self-congratulatory manner. In-
spectation found much of the
food tasting as good as similar
dishes had in Brownies—a
relief, since after various bitter
experiences we had written our
Norwich as a gastronomically
stricken area, probably qualify-
ing for an EEC grant of an
appropriate kind. But the
puddings are garish, the coffee
and the house wine lessish (if
that is the opposite of more-
ish), and the service dismaying
amateurish. But our day
thought, forgetting a fork was
a great joke. Much therefore
rests on Miss Allen's more con-
trolled—and not overpriced—
cooking of mussels, meat-loaf,
jugged hare, and pigeon. "a
tender bird, unusually for a

pigeon, appeasingly stuffed
with a liverly forcemeat,
crowned with a crisp, buttery
sauce". Local samphire may be
served in its season (which
usefully follows the asparagus
one). As often in East Anglia,
Adams' kitchen help make up
for any shortcomings of the
cheap end of the wine list.

Upstairs in Sandbach gives a
much more organized im-
pression, and the Victorian
decor leaves not an antimac-
assar out of place. Even the
records must be there, when
you that if Queen Victoria had
appeared on *Desert Island
Discs*, Mendelssohn would have
been heavily represented, Jenny
Stone's menu, which she
changes often, has a strongly
English slant, and indeed be-
gins to sound like a country
book by the time you get to
the end of descriptions such
as "jointed oxrail browned and
simmered with jellied beef
stock, mixed vegetables, herbs
and ruby port".

This technique begins to
sound preposterous when
applied to that traditional 20th
century Cheshire speciality,
prawn cocktail.
However, Guide inspectors
and others have eaten admir-
ably cooked meals in the
spaces between the knick-
knacks. "No tinned or
packaged mushroom soup could
possibly have had the full
flavour of this fresh one (95p),
and dilled potato purée, tasted
of home-made curries, was
quite good. The coriander pre-
dominated (£1.35). One was invited to test
the tenderness and done-ness
of the steak in wine sauce
before the successful of veget-
ables was put on the table, and

the cauliflower was outstanding
in flavour and bite; apricot
and hazelnut cake and choon-
dles were rich, of course, but also
had nicely distinct tastes of
their ingredients." The wines
are comaratively mediocre,
and the final bill may remind
the traveller that although
Sandbach is a dearer country
than Norfolk, Upstairs may
seem relatively modest. There
is a further attraction: Sand-
bach is a mere two minutes
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(continued on page 28)

Fred Emery

Did Mr Pym's message go astray?

Sometimes there is uncanny symmetry in the imagery of political turns. Last Thursday *The Times* published a letter from the man who punned the conceit, "You turn if you want, the lady's not for turning"—Ronald Millar, the playwright, knighted on the Prime Minister's recommendation for, among other things, being word-smith for her speech making. The same day there was a front page report of another Conservative speech which suggested that the first half of the phrase Mrs Thatcher delivered to a rapturous Tory conference might have turned out to be more accurate than the last, and better known defiant half.

This new speech now admitted that "common sense tells us that changed circumstances make adjustments necessary in both tactics and timing." The Government, the speech said, "will not be deterred from making this statement of the obvious by accusations of changing course."

The strategy—it needed saying—and the "main purposes" would not be abandoned. But "the simple truth is that in the light of the deterioration in the world and domestic economic framework, we could neither press ahead regardless of our planned schedule, nor avoid some much needed measures, to deal with some of the distressing effects."

Sir Ronald, meet Mr Francis Pym making his first sortie in public as purveyor of the Government's message. Since his removal from the Defence Ministry in the Christmas reshuffle, Mr Pym has been feeling his way forward as leader of the House, Chancellor of the Duchy of Lancaster

and Paymaster General. He is a man of very keen political instinct and he is clearly warning to his task as the Government's political manager, perhaps its campaign manager.

Now, did he get his message across, and what is it? Well, some reactions took it to be a replica of Mr Heath's U-turn; this Government, like his, some two years into its turn was breaking under pressure, doing the sort of cutting and running that Mrs Thatcher has sworn never to countenance. Since Mr Pym is not yet Prime Minister, this interpretation seems rather far fetched.

Yet another reaction was to suppose that Mr Pym was merely cloaking, indeed, defending, the Government's tough policies by talking in the language of sensible and deliberate moderation.

By these examples, Mr Pym did not get his message across too well. What he was essentially trying to do, at least in my judgment, was to restore the ring of credibility to the Government's approach. For the past six months, the not-for-turning line has hogged the headlines and the screens. It has given the impression of obduracy, dogmatism, and hardheartedness. It has allowed the caricature of Tory policies to become virtually the accepted fact.

Since Mrs Thatcher has done most of the preaching, it has turned her into the personification of a government that seems bent on taking us through the industrial desert, if necessary, in order to reach the promised land. However, she, too, in one little remembered interview with the BBC's *Analysis* programme,



Francis Pym: moderation

agreed that she would have to steer round obstacles—and not, by implication, crash through them. Yet, such is the Government's cultivation of the image of motorway madness that it is the defiance that has stuck.

It is nonsense of course. But the lady has protested so much that there can be no alternative, always telling us what she will not do, that a credibility gap has been created over what the Government is doing. Supporters are confused, not to say the uncommitted, when a government looks as if it gets dragged into industrial relief measures, and even a pay policy, and then pretends that it wished it had not.

And then there was "operation optimism" at the turn of the year to promote the idea that the recession was "bottoming out," the

recovery imminent. That has also dented the Government's credibility.

Now it is unlikely that all this will change overnight. The speeches at the Young Conservatives conference this weekend will doubtless bring us more of the old refrain. But Mr Pym's attempt—and it has already been welcomed by some of his anxious back benchers—is to speak intelligently, rather than in slogans, about the choices the Government faces. At a desperately difficult time it makes the Government seem less foolish than it sometimes looks, and sounds.

Owning up is never a bad idea. And by acknowledging frankly, the doubts and confusion besetting the Government, Mr Pym has tried to give assurance that ministers are not blindly sticking to dogma nor refusing to help those in need. Common sense, that is his pivot. Now, in political terms, there is wide divergence over what constitutes common sense. But in Conservative parlance Mr Pym is clearly reminding us that there are practical politicians inside this government, too. They may always see themselves as such, but it does not look like that from the outside.

Whether this is a signal to expect further adjustments by the time of the Budget we shall have to wait and see. The urge to do the maximum possible for industry and business so that they may take advantage of whatever recovery is coming, is now coming through very strongly to the heart of government. Whether ministers will succeed in getting their pre-Budget Cabinet session to review

strategy is uncertain, but it is significant that they are trying again.

The upshot is unlikely to add up to the new enterprise package of government help to back winners. But it would now be surprising if there were not rapid moves to ease energy costs and interest rates. Those urging the Government to put constraints on the inflow of foreign funds now claim they are being listened to.

There remain, of course, those ministers who still feel that their economic colleagues have little idea of where they are taking the country. And their view was reinforced this week by some of the Americans with the Congressional budget committee who last week made a visit to London. General out-and-out Reaganites confided that no one more confused than at No 10 than Professor Alan Walters, the Prime Minister's newly recruited economic adviser. Apparently he insisted to them that the pound's strength had nothing to do with North Sea oil, only with the "real" interest rate. He also claimed that the "real" inflation rate, in the private sector at least, was currently nil. Heaven knows what we will make of Mr Reagan's major package of cuts to be announced next Wednesday and whether the adjustments we are now making will show up there before they have even started.

Any more symmetry? Sir Ronald's latest venture was that the "lady's not for turning." He meant us whence she came, but at the next election. That is really Mr Pym's anxiety, too.

The changing order at Downside

The Abbot of Downside, when he was still Novice Master, used to explain to his charges that the apparent dichotomy of the monastery and the school should not provide an obstacle to the testing of a novice's vocation. He went further and invoked the Rule of St Benedict as evidence that the founder of western monachism had always intended that boys and young men should be educated by monks.

Not, he insisted, that all the members of the monastic community should become schoolmasters; but that those monks who were set by the Abbot to the task of education in a monastic school should remain always, primarily, monks and secondarily teachers.

Last September, the Abbot appointed to be Headmaster of the School a man who shared that view of the Rule of St Benedict and who also retained a firm belief in the importance of rules in the ordering of any society.

Dom Philip Jebb, the new Headmaster, took the view that the rules of conduct and behaviour had rather slipped at Downside. Like any new commander he felt there was a need for a tightening up rather than a rigid enforcement of archaic or draconian measures.

The point is, he got tough. Last term he expelled three pupils for taking drugs, not simply because he will not condone the use of drugs in his school but, even more importantly, because the boys in question had given his predecessor a solemn undertaking that they would not take drugs. Their behaviour was not just illegal, it was dishonourable.

Dom Philip believes that there had been a straight falling off of honesty—not just at Downside, for the Headmaster of Westminster has said the same thing—and he told the School what he thought. He insisted that strict uniform be worn. He called for "quiet time" on Sunday afternoons. He instituted checks on sports equipment to stamp out "borrowing."

Minor enough touches on the tiller, it might be thought. Not by some senior pupils who two weeks ago mounted a midnight demonstration of more than 150 boys in the quadrangle. It does not sound to have been much of a riot: lavatory rolls were thrown and there were chants of "freedom, freedom, no more shirt." The press had a field day reporting (or rather "mis-reporting" as the monks feel) the event.

Downside, as Dom Philip explained the other day, is not a public school with a capital "P". It is a monastic school. It has no board of governors, or to be more precise the Abbot is the entire board. The school's roots lie in that Rule of St Benedict and a continuous connection with the Monastery of St Gregory the Great which goes back to the settlement of the monks in France in 1607 and the opening of a school for boys whose faith debarred them from education in England.

It is hardly surprising that the "experiment" of having girls in full-time education at the School should run into difficulties. The 13 girls presently in the sixth form are not boarders in the school but live out with families in the village. That is why Dom Philip finds the present situation so inadequate.

"My own, real worry," he said, "is girls living away from home or else in a corporate body." In the past, the daugh-

ters of lay masters at the School have pursued studies there but have continued to live with their parents. That is the difference and most of the girls agree with Dom Philip that living out presents real problems.

Anyway, after consulting with the Community, and discussing it further with the Abbot, Dom Philip says that he will make a final decision about allowing girls whose families live locally to attend as day pupils.

While making the decision, the Headmaster will no doubt be interested to read, when it appears next Wednesday, the first edition of *Downside Eye*, a newspaper written by and primarily for members of the School. Dom Philip thinks that boys "are ferociously conservative." Some of the letters in the *Eye* might surprise him.

The paper's leading article, however, offers something of an apology for this monk who has recently been so hounded by the press.



Dom Philip Jebb: touches on the tiller

"There is a natural human resentment against change," it states. "The boys had become frustrated with a feeling that Dom Philip was leaving both them and their personal interests out as he proceeded to add new and alter existing School regulations. Nor is it unusual for the boys to feel oppressed when a new Headmaster takes over."

Several girls, both past and present pupils, have contributed to *Downside Eye*. They all seem to take the view that there are too few girls at the School. They also all seem to have enjoyed or be enjoying their time there.

Founded by reporters and photographers, not to mention television, Dom Philip can hardly have had much time to think of academic excellence. He told me that he is worried about results and wants to improve them. Last year the School had its smallest Oxbridge entry ever: only 10 admissions, three of them scholarships.

A few years ago, one of Dom Philip's predecessors went all out for academic achievement. Discipline and awareness of the essential monastic nature of the School were not priorities. Some people thought it had ceased to be a happy place.

Could it be that Dom Philip's concern for the Rule and the rules will bring about a renaissance? When he insisted recently that he was first and foremost a monk and only a Headmaster because the Abbot had told him to be, he was no doubt thinking of the opening sentence of the Rule of St Benedict: "Listen my son to the instructions of your Master, turn the ear of your heart to the advice of a loving Father, accept it willingly, and carry it out vigorously."

John Grosier

Sportsview

Why the bull is back in the big time

"Lamotta's life has been so unapologetically gamy, so foully unpalatable, it bends the conventional limits of social understanding."—*Sports Magazine*, January, 1981.

At 58 Jake Lamotta, who fought Sugar Ray Robinson five times before surrendering his world middle weight crown to that brilliant boxing machine in 1951, is making a comeback of sorts. He bears the scars of 100 professional fights. His eyes, nose and ears have been played all over his face. He looks like something a five-year-old made out of modelling clay and yet he is doing something most retired boxers dream of: he is having a second crack at fame.

Lamotta is the "hero" of *Raging Bull*, a vivid, brutal epic of a life in and out of the ring. It is, by any stretch of the imagination, the kind of romantic yarn that Hollywood usually turns out. The film, which opens in London on February 19, is directed by Martin Scorsese, with Robert De Niro as Lamotta: it is a kind of *Elephant Man* of the fight game. It shows Lamotta as he admits he was, a mean, cruel, animalistic man who mutilated his opponents in the ring and beat up his beautiful blonde wife and his brother out of the ring.

It is sport cinema verité and it would seem to be one of the



Jake Lamotta in his heyday and (right) as portrayed by Robert De Niro in *Raging Bull*

least sympathetic roles in film history. Yet remarkably, as a result of the film, Lamotta finds himself resurrected from obscurity. And he is enjoying the experience.

To start with, Lamotta, who lives alone in Manhattan, received \$100,000 from the film company to be technical director on the film. It enabled him to put on the gloves and climb into the ring with method actor De Niro, who trained for the role for five months with the dedication of a man preparing for a title fight.

Since the film opened in America to rave reviews (most critics agreed that De Niro will be a leading contender for the 1981 best acting Oscar in

March) the Lamotta book, upon which the film is based, has been re-released and is selling well. Lamotta is touring the country to promote the picture, has signed with a Hollywood agent and is being welcomed in filmtown like a genuine, 24-carat personality.

His 33-year-old son Jack Jr, who now manages his career, said: "The phone hasn't stopped ringing. There's movie parts, TV commercials and dad recently played 'Big Julie', the gangster from Chicago in the musical *Gypsy* and *Dolls* in a road show." (On the deot side the American tax man is pursuing him, his fifth wife is seeking alimony and his brother is unhappy with the way he is shown in the film

and is suing the film company.)

In the process Lamotta has been trying to explain why he behaved the way he did in the ring and out.

Today Lamotta has slimmed down to 170 pounds and looks neat and well tailored in a smart check suit. He puffs a long cigar and says softly: "I was quite stunned when I first saw the film. But it was accurate. It's savage and vicious—but that's the kind of guy I was. I was nasty... and I'm not proud of it. But you know, it's like it was a different life for me."

In one scene Lamotta is seen taking a dive in his November 1947 fight against an unknown middleweight, Billy Fox. "Sure-

I did," he says. "It's no lie. I admitted it to the Kefauver committee investigating mob influences in the fight game. I did it and I got a title shot. It worked. I got my chance and beat Marcel Cerdas."

In fact, Lamotta adds that he had to "kick back" some \$20,000 of his purse to the promoters. "Once they wanted to match me with Randy Turpin," says Lamotta. "I would have given anyone a chance. But it never came off."

Lamotta floored Sugar Ray Robinson once, but lost on four other occasions, including the crucial title fight. Not long after losing his crown Lamotta, considered one of the

greatest all-action fighters, retired. He put on nearly five stones and took to drink. He divorced his second wife (he has married and divorced three more times since) and was sent to prison on a morals charge.

But now he insists he is reformed and basking in the newly found limelight.

"I'm a mellow guy today," he notes, "so mellow I keep falling asleep. Now I have the patience of a saint. You'll lose your temper before me. I lost the title in 1951," he says in his thick Bronx accent, "30 years later I got it back again."

Ivor Davis

Letter from Algiers

First find the map of the Casbah

Algiers is a good place to get lost—in large measure, it is almost impossible to beg, buy or borrow a map of the place. Stealing is a different matter, but more of that later.

The city is built on a hill and, if it cannot be hid, it nevertheless hides a multitude of things, especially its street plans. Also, because it is built on the seaward side of the hill, it affords a magnificent series of views of the Mediterranean plus cat-seating exercise for the lost walker.

Down the ages the hillside has clearly dominated the outlook of the town-planners, who were forced to zigzag the roads running up from the seafarers' routes, which would make the most homesick mountain goat feel at ease.

Given that walking the hillside tends to be the dominant memory of the visitor it is perhaps surprising to discover that the city's name is derived from the Arabic *al-jazair*, which means "the islands." But it was the myriad of little islands then to be found in the bay which first attracted Emir Bologhine Ibn Ziri to build there in 935 AD.

Queuing for berths

Since then the islands have been joined together and incorporated into the port, which currently has its work more than cut out to accommodate the merchant fleets queuing for berths. At night the whole bay—viewed of course from the hillside—seems like a bright city with the lights shining out from 50 or more ships anchored there waiting their turn.

The islands have largely disappeared and so, too, has the reason which led some gallic poetic soul to nickname the city *Alger la Blanche*. It is still true that nearly every building was once painted white, with blue window frames and cream doorways, but many a year since most of them saw a paintbrush, especially round the Casbah.

In fairness the winter months are not the best for visiting usually sunny Algeria. Rain cascades down that hillside like so many mini-niagaras and most of them seem to fall out into the Casbah.

In the words of the official guide book, the Casbah is a "white triangle surrounded by minarets offering so many stairways going down towards the sea, with the terraces of its close-packed houses, clinging to the djebel, leaning over the streets, noisy and passionate with the exciting perfumes of incense, musk and spices, arousing an insatiable curiosity."

The Casbah at the height of a winter rainstorm is not quite like that. The perfumes are not all "passionate". No polite guide book could describe them. The mud is clinging. White triangles are not over-evident.

But minarets are. Algiers, for all that the French rebuilt the waterside with a long, graceful out-of-place colonnade, is rich in its mosques. They are warm and bright and well-used by young and old—although outside the fisherman's mosque one very wet afternoon a young couple could be seen kissing with greater devotion than they were showing for the amplified calls to prayer from the loudspeaker on the nearby minaret.

The Casbah in the rain seems somehow more true to its past than the Casbah in the sunshine. The mud, the wetness in dark alleyways where once the FLN found safe

refuge but where Frenchmen feared to tread, the wet cobbles picking over rubbish heaps, the suddenly bright windows of goldsmiths' shops defying the gloom, the damp air of the market place, heavy with the smell of oranges, the men, their brown burnous splattered with mud, sitting in fluorescent-lit cafes sipping tea—all this creates a teeming atmosphere that would evaporate in the sunshine.

Largely a sixteenth century Turkish creation, the Casbah is said to have inspired one of the great architects of the present century, Le Corbusier. His ideas of living togetherness in apartment blocks are, indeed, the obvious result of a close study of everyday Casbah life.

Life on a hillside may be hard on the calf muscles of the aging tourist but it is splendid for children who team everywhere in Algiers. It provides a marvellous toboggan course for homemade wheeled soapboxes or for skateboards. A piece of cardboard or a collapsed plastic bottle are all that is necessary to turn a steep slope into a slide.

The other mainstay of play is a small round shiny tobacco tin used as a marker for the endless games of hopscotch on every pavement, or as a kind of puck for impromptu sidewalk hockey. Alternatively, small plastic bags stuffed with old socks make football which does not roll away down the slope if a player misses them.

For the foot tourist, however, getting lost is childplay.

Men with blue paint

The map is rain splattered now, although it was of little use. Some years ago now in a fit of nationalistic zeal men with blue paint brushed out all the lettering of the street names in French so that only those who can read Arabic can discover where they are.

Moreover the network of alleyways and lanes obviously proved too much for the poor mapmaker to submit to paper. The entire area is therefore rendered as an appropriately coloured brown smudge.

The best advice for the lost tourist, therefore, is not to steal a map but to follow the children as they ride or slide down the hillside towards the sea. Once the Mediterranean comes into view at the far end of a staircase the persistent walker should be able to find himself before long beside the seashore and a taxi rank. Or a stop for one of those little green buses that crawl slowly up the hillside full of people.

Ian Murray

Cornering the dogfight market

Out of the sky a noisy grey smudge appears on a low approach to the runway. As it gets nearer white smoke billows from an engine, a single wheel of its undercarriage folds down. The roar of this lumbering giant, the B-17 Flying Fortress, is deafening as it makes its land. One of its four radial engines quitters. Suddenly, from out of the sun comes a high-pitched screaming as two... three... four Japanese Zero fighters dive for the kill. Their machine guns fire, one the stricken B-17 as its solitary landing wheel grazes the tarmac. The audience gasps as the B-17 skids along the runway. The pilot pushes forward the throttles; all engines roar to full power and the B-17 pulls away. The fighters soar into the clouds and out of sight.

The Flying Fortress, one of the few left, survives to fly another day.

It is all part of the show—one of America's most famous flying displays, the 1980 Confederate Air Force Airshow, featured tomorrow night in *The World About Us* on BBC 2.

The place is Rebel Field—Harrington international airport, Texas, in the fertile lower Rio Grande Valley on the Mexican border. The aircraft are part of the Confederate Air Force "Ghost Squadron" based there.

It began with the purchase of a war-surplus North American P-51 Mustang by Lloyd Nolan and a group of pilots soon after the Second World War. Gradually, as the club grew, more aircraft were added.

By 1963, the collection of American WWII fighters was complete, and the CAF turned its interest to light and medium bombers. Finally, they expanded to include all combat aircraft of the war, from both the Allied and Axis powers.

By 1970, the CAF had established itself in a flight museum in Harrington, with local chapters in other parts



In action again: a P-40 Warhawk, one of the legendary Flying Tigers of the Second World War

the United States and the world. The British wing was recently inaugurated at Wellesbourne Mounford airfield near Stratford-upon-Avon.

Each year more than 100,000 spectators travel to Harrington during the October Columbus Day weekend to watch the airshow. It is unique in re-creating actual air battles, as accurate and vivid as any staged for a film. Massive explosive charges are touched off on the ground to simulate bomb blasts, while the public address broadcasts machine-gun fire. As many as 30 or 40 piston-driven aircraft fill the sky at the same time.

The programme usually starts with a lone biplane with Spanish Republican markings zooming over the 40,000 specta-

tors. The commentator asks them to close their eyes for 10 seconds and open them during the Spanish Civil War. Close on the tail of the biplane is a Messerschmitt ME109 of the German Condor Legion. As the biplane makes a second pass the machine guns fire, the aircraft disappears behind a hill and there is a spectacular explosion.

Other scenes depict the attack on Pearl Harbour, the Battle of Britain, the Battles of Midway and the Coral Sea. The CAF achieved notoriety in October 1976, when it simulated the atomic bombing of Hiroshima, led by its B-29 piloted by General Paul Tibbets who originally piloted "Enola Gay" on August 6, 1945.

The Japanese Government

lodged a formal complaint with the United States Embassy in Tokyo, which expressed regret for any offence caused.

It is not unknown for one of the CAF's "wars" to be called off for 15 minutes while a Western Airlines Boeing 737 lands, with Japanese Zero fighters and B-17s circling until it was down.

In the words of the CAF: "The shooting began with a lightning attack by three Stukas on a bridge in Poland, and ended with the flight of a lone B-29 over a city in Japan. It was a terrible time. It was a wonderful time. And everyone who lived it agrees on this: It was a time to remember."

Ted Trott

nd leg: Crystal
On. Polytechnic Championship (at
chester Poly.).

THE TIMES
BUSINESS NEWSGovernment's intention to
sell off shares in
BNOC runs into trouble

By John Huxley

The Government's policy of selling off shares in the state-owned British National Oil Corporation (BNOC) has encountered serious snags.

Although both corporation and Department of Energy officials are working on possible schemes whereby the public could be offered an equity stake, there are no immediate plans for doing this.

The most intractable problem is the disruptive effect any scheme would have on the dozens of agreements which BNOC has struck with private sector partners in the North Sea.

Mr Hamish Gray, Minister of State for Energy, confirmed yesterday that no particular scheme for a sale of equity was under consideration. However, he reaffirmed the Government's determination to introduce private capital into BNOC at some time in the future.

Powers which would enable the Government to do this are contained in the Petroleum and Continental Shelf Bill, published by Mr David Howell, Secretary of State for Energy, yesterday.

The Bill proposes an increase of £200m in the corporation's borrowing limit to £800m, with

a provision for it to be increased to £1,000m. It proposes a further change in the financial structure of BNOC.

The corporation's links with the National Oil Account would be severed and government financing would come, as with other state corporations, from the National Loans Fund. The Secretary of State would determine the starting debt under the new arrangement.

The absence of any firm proposals to offer an equity stake will disappoint many of the Government's supporters who want to see ministers moving faster to roll back the frontiers of the state sector.

Mr Gray said yesterday that the Government remained committed to the principle of introducing private capital into Britain's North Sea activities. Laid out in the revenue bonds, whose return would be linked to fields in which BNOC has a share, would also be issued.

The latter initiative does not require a change in legislation. Plans for sale of bonds, probably worth a total of £500m and available across the country, are going ahead, the Government expects the first

to go on sale around the turn of the year.

The Bill would allow BNOC to dispose of shares in subsidiary companies only on the oil exploration and production side of its business. The downstream trading activities would remain wholly in government control.

Sale of shares would require the approval of both the Energy Secretary and the Treasury, and there is provision for the introduction of a profit-sharing scheme for BNOC's 1950 employees.

Mr Gray said that the introduction of the Bill should boost morale among BNOC staff, who have experienced a long period in which they felt the Government's intentions towards the corporation were uncertain.

Apart from enabling the Energy Secretary to alter the financial structure of BNOC, the Bill also amends earlier North Sea legislation.

Existing law is extended to cover gas storage facilities and accommodation installations (such as the Alexander Kieland "floating hotel" which sank last March with the loss of 123 lives), and to include installations in cross-border fields (reflecting treaty arrangements with the Norwegians).

US energy budget facing big cuts

From Frank Vogl
Washington, Feb 13

President Ronald Reagan has been sent proposals by the Office of Management and Budget to cut US energy policy planning and regulation to be heavily reduced.

The President is likely to accept most of the proposals, and announce them soon. Details of the plans are contained in Budget Office documents, which say that ending domestic oil and gas price controls will unleash free market forces, stimulating conservation and supply efforts and so greatly reducing the need for government involvement.

The Budget Office believes that the free market will guard against unforeseen dangers to the economy and, as a result, it plans to save \$79m (£34m) by scrapping contingency petrol rationing programmes and proposes that the budget of the Energy Department's Office of "Emergency Preparedness" be cut to \$2m from \$17m.

Savings in energy department

administrative costs of \$93m could be made on the present \$370m budget, including a cut of \$18m in the \$41m budget for international policy affairs.

This latter cut would result from efforts to "reduce policy contracts and eliminate international energy planning activity. International commitments would be terminated. Reduction of staff would eliminate duplication of State Department and Central Intelligence Agency efforts."

The budget of the main Department of Energy division involved in data collection, forecasting, policy analysis and regulatory controls could be halved to \$61m in the fiscal year that starts on October 1.

But the budget documents, which are mainly concerned with the coming year, also include detailed plans for massive spending reductions for the rest of the 1981 fiscal year.

The Administration has decided to retreat from government efforts to secure greater energy conservation and rely on free markets to secure this.

About \$36m would be saved immediately by ending government programmes that assist power companies to change

from oil to coal. The documents simply state: "Coal conversion: eliminate. Utility programmes: eliminate."

Big conservation programmes could be cut by \$453m to \$478m in the coming year. Market forces and existing tax credits made many government efforts here either "superfluous" or imposed "too great a regulatory burden on the public."

Similarly, most government programmes on energy supply were not needed and were wasteful and free market forces would produce the needed developments.

Total spending on the energy supply and environmental programmes could be cut by \$114m this fiscal year to \$482m and \$203m in fiscal year 1982 to \$402m.

The cuts would end numerous government-funded research programmes on geothermal and hydro-power systems, finish work on short-term storage schemes for energy, and cut sharply work on the environmental and health effects of new energy systems.

Further sharp reductions are advocated in government funding of work on fossil fuels and assorted synthetic fuel systems

with savings set to bring the outlays for the next fiscal year down to \$410m from \$765m.

President Reagan has not backed away from the pledge he made during his election campaign to abolish the Department of Energy and his plans to cut the department's spending may go even further than the Budget Office.

His Administration's views on energy conservation and free enterprise are illustrated in another Budget Office paper dealing with transport.

It proposed that government support of the development of urban transport systems should be cut in the coming fiscal year by \$1,165m to \$2,402m, then cut by \$1,165m to \$2,200m in fiscal year 1983 and cut by even bigger amounts in later years.

The Budget Office said that it was primarily the duty of local authorities, not the federal government to pay for these systems and that there were less capital intensive ways to improve urban transport such as, car pooling, bus pooling, subscription bus service and cab services.

"Energy savings that can be attributed to mass transit capacity expansion are extremely limited," it said.

Stock markets

FT Ind 493.2, up 3.2
FT Gilt 69.01, down 0.6

Sterling

\$2.2855, down 305pts
Index 103.8, down 0.5

Dollar

Index 101.0, up 0.7
DM 2.2195, up 380pts

Gold

\$493.50, up \$7

Money

3 mth sterling 134-134
3 mth Eur \$ 184-184
6 mth Euro \$ 184-184

IN BRIEF

Societies

eat off

interest rate

challenge

Net receipts by building societies in January were £22m down on the previous month at £446m despite lower interest rates offered to investors and the recent issue of index-linked National Savings certificates ("granny bonds").

Receipts reached £131m, 7.7 per cent up on the previous month. But withdrawals also rose by 10 per cent to £174m.

Mortgage lending by societies fell to £857m against £965m in December, reflecting a seasonal trend, while the amount promised to mortgage applicants was £41m down at £2m. The underlying demand for home loans remains strong.

Terminal services

Matthew Hall Engineering has been appointed by the Gas Council (Exploration) to provide project and construction management services for the Gas Council's Rough field on-shore gas transmission terminal at Eastington, Humberside.

Oilfield contracts

John Mowlem, the construction group, has won two civil engineering contracts, together worth £5.1m, to carry out work related with the Thames Tideway prevention system.

EC loan scheme

EC finance ministers are to meet in Brussels on Monday to discuss arrangements for a Community loan scheme to help member countries with a balance of payment difficulty.

Chemical strike

Italy's 600,000 chemical workers staged a four-hour strike in protest at rationalisation plans by Montedison, which will involve 13,000 redundancies.

Motorcycle project

The Peugeot motorcycle subsidiary is to invest £20m from 1982 over the next five years to develop new types of 80cc and 125cc machines.

Rupee revalued

The Reserve Bank of India has revalued the rupee for the second time in a month giving 18.90 pence to one pound, an increase of 1.06 per cent.

Laboratories deal

Teaching laboratories worth more than £2m are to be supplied to Iraq by Tequipment International of Nottingham.

Joint resin plant

ICI is to set up a joint 3,000 tonnes-a-year resin plant in Japan with Asahi Glass by the end of 1982.

Money supply

The United States narrowly missed money supply, M-1A, of \$500m to \$566,900m in the week to February 4, the New York Federal Reserve Bank said. The M-1B aggregate rose to \$600m to \$615,100m.

Wall Street down

On the New York Stock Exchange, the Dow Jones industrial average closed 5.03 points down to 931.57. The S&P 500 index was 1.22437, and the NYSE volume was 18,518,727.

Rush of applications for shares in Aerospace

By Catherine Gunn

Last minute applicants for the £150m flotation of British Aerospace shares converged on Lloyds Bank in Old Broad Street, London, yesterday.

A queue 400 yards long quickly formed as investors clutching briefcases bulging with applications and covering cheques hurried to be sure of getting in on time. Lloyds opened its doors early to avoid a stampede and within a minute of the official opening of the lists at 10 am, all the waiting applicants had handed in their applications.

The Labour party's declaration that it will operationalise British Aerospace had no effect on the issue.

By midday Kleinwort, Benson, the merchant bank and underwriter, confirmed that the issue was oversubscribed. By yesterday evening the market was guessing that it was between four and five times oversubscribed.

The guesses had crept upwards throughout the day, together with estimates of what premium over the 150p a share price the 100 million shares might go to when dealings start on Wednesday.

By the evening most market-



Women at Lloyds Bank work through the flood of applications for British Aerospace shares.

men agreed that a premium of 15p was a deposit and 20p a real possibility. Jobbers said the shares should trade well thereafter, especially if the new civil aircraft, the 146, gets underway towards the summer as expected.

The basis of the allotment of shares to applicants would be announced on Monday, Kleinwort, Benson said yesterday. The prospectus made it clear that the small investor would be favoured, so the market is

going for applications of up to 10 shares, being accepted in full, and higher applications getting a scaled down proportion of the shares applied for.

If the issue is as much as five times oversubscribed, dealings next week are expected to be brisk as institutions try to top up holdings. A firm, busy equity market to end the first leg of the account yesterday added extra spice to jobbers' expectations of a good market in British Aerospace.

Sir Hugh attacks Fraser board

By Philip Robinson

Sir Hugh Fraser, deposed chairman of the stores group which owns Harrods, yesterday attacked Professor Roland Smith, its present chairman, and the House of Fraser directors who ousted him three weeks ago.

In a statement issued through solicitors, Sir Hugh says Professor Smith is not the man to head the group and that the 14 directors defending Britain's biggest stores group against a £158m takeover bid from Lohr, its largest shareholder, have not given all the facts on board changes in a statement to shareholders issued last Tuesday.

The House of Fraser board said then that six days before Sir Hugh was ousted as chairman he reached a private understanding with Mr Roland Smith, Lohr's chief executive and Fraser director, without the knowledge of any of his board colleagues. It also detailed the events leading to Sir Hugh's dismissal.

But Sir Hugh says that the only understanding he reached with Mr Rowland was the one

prior to the board meeting at which he was deposed "to the effect that he could rely on Mr Rowland's support at that meeting in remaining as the company's chairman and that the appointment of Professor Smith should be resisted".

The statement goes on: "This was the full extent of the understanding which in no way conflicted with Sir Hugh's duties to the board and the shareholders. Sir Hugh was then and is now of the view that Professor Smith is not the right person to chair the company's board—it would appear to be an appointment simply for the purposes of resisting the Lohr offer and in those circumstances Professor Smith's impartiality may be open to question."

Sir Hugh says that he does not consider that the board's circular is either straightforward or contains all the facts material to board changes.

He said that he was waiting for his lawyer to add anything to the statement.

He added: "I can't release any details of the private meeting of the company, but if you

check the minutes of that board meeting with the statement put out by the House of Fraser directors you will find they do not tally."

Professor Smith was not available for comment last night and Fraser directors were not expected to issue a statement.

Sir Hugh also told the "huge number" of shareholders who have asked him for advice to make up their minds on Lohr's 150p a share offer on the basis of the facts and not the advice of brokers.

Unconfirmed reports that a large firm of Edinburgh stockbrokers have recommended to shareholders to sell half their stakes in the stock market now.

Last night Wood Mackenzie, Bell, Lawrie, MacGregor and Wishart, Brodie all advised giving such advice. But Scottish financial circles were saying that the advice would not be unsound at the moment.

Lohr, which has brought its Fraser stake very close to 30 per cent since it made its offer, cannot buy more shares in the stock market until it has approval from its own shareholders on March 4.

Four beet sugar factories to be closed

By Hugh Clayton

At least four of the 17 beet sugar factories owned by the British Sugar Corporation are to close before this year's crop is harvested. An announcement will be made in March.

The closures have been decided because the Government has agreed to accept an EEC beet quota for Britain which is lower than the amount which the corporation can now process.

The 17 factories, all in central and northern England, can process 1.25 million tonnes of home-grown beet. Ministers have reversed the Labour Government's policy of expanding home sugar production and have decided to accept a quota of 1.15 million tonnes for Britain, so long as other EEC countries accept similar cuts.

Tate & Lyle, the remaining British refiner of cane sugar, plans to cut capacity by closing its Liverpool refinery this year.

Such a closure will lead to the loss of more than 1,000 jobs. "Ministers believe that beet capacity must be cut because of a steady fall in British demand for sugar in the past four years. It has also accepted that almost all of the 1.3 million tonnes of cane sugar which the EEC is bound by treaty to import must be refined in Britain."

The National Farmers' Union will tell the corporation that it will expect compensation for beet growers whose transport costs are increased by the closure of the factories nearest to their farms.

Harrisons offer for rest of Sumatra

By Michael Prest

Harrisons & Crossfield is offering London Sumatra shareholders either 463 of its own shares for each 1,000 London Sumatra shares or 720p cash for the rest of the shares they accept. The cash will be paid by Baring, the underwriters.

But H & C warns shareholders that 1980 pretax profits will not match the previous year's £58.4m.

The share offer is equivalent to about 33p for each London Sumatra share. RIT, Sipef and McLeod Russell have accepted the cash offer, valuing the 53 per cent H & C does not hold at 33p a share of £28.4m.

A spokesman for London Sumatra said the company was still deciding whether to recommend the offer. Mr Thomas Prentice, chairman of H & C, said the offer for London Sumatra and the possible bid for US chemical interests, which has been put at £50m, would probably be financed from cash reserves.

Details, page 21

Dollar gains against pound and mark

By John Whitmore

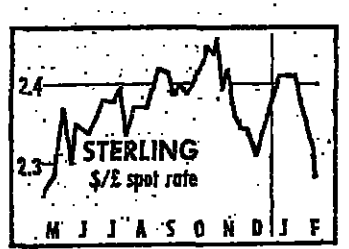
The dollar continued to advance strongly on the world's foreign exchange markets, recording further sharp gains against both sterling and the Deutsche mark.

International investors continued to add to their dollar portfolios in the belief that the Reagan Administration will take a tough line on the economy and that dollar interest rates will remain high for some time to come.

To some extent the dollar is now benefiting from a "bandwagon effect". Whether that bandwagon will receive fresh impetus or be stopped in its tracks when the President sets out his plans for the economy next Wednesday remains to be seen.

Yesterday the dollar gained a further 3.8 pence against the Deutsche mark, in spite of substantial West German central bank intervention. The dollar closed at DM 2.2195, making a gain of 33 per cent on the week.

Sterling, too, came under pressure against the dollar for most of yesterday's session, finishing only marginally above its lowest level of the day, a net 3.05 cents down at \$2.2855. Over the week the pound has lost nearly 6 cents against the dollar.



Sterling has, however, continued to perform well against most other main currencies. Although its value against a basket of currencies slipped 0.5 to 103.8 yesterday, its overall value has remained unchanged over the week.

In domestic markets the weekly Treasury bill tender once again reflected mounting confidence that Sir Geoffrey Howe, the Chancellor, will announce a reduction in the Bank of England's minimum lending rate in his Budget speech on March 10.

Applications for the £100m of three month bills on offer totalling £480m, and the average rate of discount at which bills were allotted fell from 12.42 per cent to 12.29 per cent.

Other money market rates were little changed and the general feeling is that they are likely to remain steady now until the final run-up to the Budget.

A GUIDE TO INVESTMENT TRUSTS-5

Gearing? Discount?

If you have followed this series on the Investment Trust sector, you will by now realise that the industry is unusual in the stock market. For a start, Investment Trusts do not "make" anything. Their assets are typically the shares of other companies which themselves may be engaged in any activity—manufacturing or otherwise—in virtually any part of the world. Those assets are also constantly changing as the managers sell one investment in the portfolio and move on to a new and better opportunity.

The selection of an Investment Trust is therefore important since they are by no means all the same. However, apart from their different objectives and the way in which different management groups go about achieving them, there are two technical factors which should be considered by investors in Investment Trust shares: gearing and discount.

Gearing

In plain terms "gearing" is borrowing. In this instance, it is raising money to be invested on behalf of shareholders.

Investment Trusts are limited liability companies. As such, they are free to borrow money or raise different forms of capital in addition to Ordinary shares: these include preference shares, loan stocks and debentures.

Gearing is a means of exaggerating the effects for Ordinary shareholders of share price and dividend movements within the Investment Trust's portfolio of investments. The managers have more money to put into investment for the Ordinary shareholders because they have at their disposal not only the Ordinary capital and reserves of the company but also the borrowed funds.

Thus, if the stock market rises when all the funds are invested, the gains generated

on behalf of the Ordinary shareholder are magnified, or geared. On the other hand, if the stock market is falling, the fall is exaggerated or geared. So the gearing effect can work in either direction, although Investment Trust managers have devised methods to minimise the downside risk, e.g. by investing in fixed-interest securities or by holding cash on deposit at attractive rates of interest.

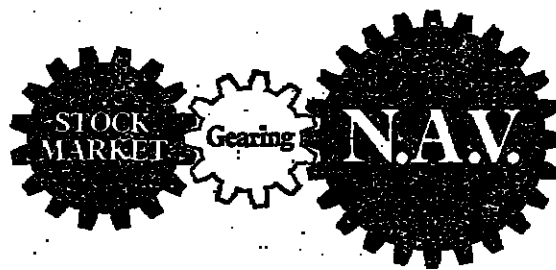
The extent to which an Investment Trust is geared may therefore influence the view on an individual Investment Trust share. However, an assessment on this basis should not be taken in isolation but is a technical point which calls for the advice of a professional, such as a stockbroker.

Discount
If the market price of an Investment Trust share stands at less than its net asset value, the difference is known in stock market terms as the "discount". If a share price is greater than its net asset value, it is said to be standing at a "premium".

The discount or premium to net asset value fluctuates according to stock market sentiment. It is quite possible, for example, to have a rising net asset value but a static share price. In such a situation, the discount would widen irrespective of the quality of management. To the uninformed this may seem a strange situation but it can create an ideal buying opportunity for the alert investor.

In recent years, Investment Trust share prices have commonly stood at a discount but for the new investor there is the advantage that the greater the discount proportionately more assets are producing income for him.

As with gearing the discount is an important technical indicator; neither should be viewed in isolation.



PRICE CHANGES

Uses				
Iron & Steel	20p to 393p			
Aluminium	12p to 171p			
Lead	12p to 171p			
Gold	12p to 230p			
Platinum	12p to 371p			
Silver	22p to 356p			
Lud & Prov Sh 15p to 438p				
Len Sumatra 13p to 355p				
Rand Mine Prop 15p to 355p				
Unitech 13p to 259p				
Unt Scientific 15p to 355p				
alls				
avi	7p to 271p			
agle Star	5p to 249p			
as Cooper	5p to 155p			
gas Ind	5p to 162p			
egal & Gen	5p to 217p			
Man Ship Canal 6p to 160p				
Ningate Explor 12p to 310p				
Rea 6p to 432p				
San Life 5p to 207p				
Steep Rock 5p to 270p				

PERSONAL INVESTMENT AND FINANCE

Unit trusts

A package deal for monthly income

Would you buy a unit trust from Ronnie Barker? You will soon have a chance to do just that. The portly comedian has been signed on as media marketing consultant to Arbutnot Securities and begins a series of radio advertisements for them today.

To coincide with the promotion the group is launching its new Maximum Security Plan which is designed to provide unitholders with a monthly income. The money—minimum investment £600—is split between three Arbutnot high yielding unit trusts: the quarterly distribution dates of which have been phased to provide the monthly payment.

The three chosen vehicles are the new Gilts and Fixed Interest Fund, the Preference Share Fund and the High Yield Fund—each respectively yield 12.4 per cent, 13.3 per cent and 10.6 per cent to provide a combined estimated return of 12.1 per cent gross.

It is an idea which is likely to appeal particularly to older investors and is virtually without rival in the unit trust field. Ansbacher Unit Management runs a Monthly Income Fund, also returning 12.1 per cent, but the minimum investment is 2,000 units (£3,100). Alternatively, a judicious spread of building societies can provide an investor with a monthly income too. It is higher at 13.25 per cent gross, but of course, there are no capital growth prospects. It is a pity perhaps that Arbutnot has not laid a greater emphasis on the equity component of the plan. Mr Michael Barrett, the managing director, agrees that the plan does adopt a "defensive posture"—but, he argues, this is what professional advisers told him their clients would want. If the plan takes off, he said the group might consider another version for the younger generation with a greater equity content.

Margaret Stone

Credit

A gold card temptation

If the television advertisements had persuaded you that an American Express card was the ultimate passport to a wealthy and sophisticated world—Ah, American Express—that's different—I have news for you. That boring old green card is about to be upstaged by Sterling Gold Card, a joint venture between Lloyds Bank and the American Express.

Before you think of applying for your gold card, you had better have a look at your pay slip. If you rely solely on earned income to finance your lifestyle, then, unfortunately, I can tell you that you will need to be in the £20,000-plus bracket to pass the vetting committees. The limit on the cards is effectively £5,000—which is where Lloyds come in. The bank is offering an unsecured overdraft of up to £5,000 to clear the debt at the very reasonable interest rate of 21 per cent over base, now 14 per cent. (As a private customer you could normally expect to be charged 3.4 per cent over base.)

Once you have reached that £6,000 limit on your gold card, that is it. You will have to start slumming it with the plain old green one. Or use the domestic credit cards, Access or Barclaycard, which both will allow credit limits well in excess of £6,000 for the right person. Sterling Gold beats the American Express card on two other points. The free travel accident insurance is doubled to £70,000 and the annual cash plus travellers' cheques facility at Amex offices is doubled to £1,000. The membership charge too is double at £40.

MS

Insurance

'Life offices': reasons for the shake-out

This week yet another company, Provincial Life, relinquished its membership to the industry trade body, the Life Offices' Association. Its departure follows hard on the heels of Schroder Life's resignation last week. Other companies which can be added to this list are Abbey Life, a leading unit-linked office which left the organization at the end of last year and Crown Life which went last June.

Members of the association have to abide by two main rules. The first is the commission agreement which lays down how much a life assurance company can pay insurance brokers for putting business its way.

The second is the new code of practice published last month, which dictates selling procedures. On the face of it, it is the commission agreement that the outgoing companies are grumbling about. They want to pay more to brokers which in turn should increase their level of business from this source.

But it is not necessarily the rate of commission for selling any particular policy that companies want to increase—although Abbey increased its commission figure to 20 per cent once it had relinquished its membership. There is also the question of volume over-ride commission, which means that once brokers placed a certain amount of business with the insurance company, they will pay them a bonus on top of the normal commission rates.

The association is totally opposed to this practice. How it argues, can a broker remain impartial, if it knows that building up business with one particular company will prove more lucrative than spreading it around a number of different companies?

Only time will tell whether this will happen in practice, but even then it will be difficult to quantify the benefits in business written by a life office is attributable to increased commission.

Figures produced by the LOA show new business for life assurance companies in total increased by 16 per cent in 1979, with single premium business up a modest 2 per cent.

Non-LOA unit-linked offices will have matched or done much better than the industry norm.

For 1980, as a whole, for example, Albany Life saw new annual premiums jump by 41 per cent while single premiums leapt by 64 per cent over the previous year. At Trident Life new annual premiums were up 24 per cent and single premiums 77 per cent (after taking out short-term income bonds).

Abbey Life, on the other hand, lagged behind with new annual premiums up 18 per cent, although its single premium business was up 34 per cent, despite its protestations at the time it left the LOA. Generally it seems that there is room for improvement. Indeed, companies that have always been outside the LOA, fold report that they are coming up against Abbey Life much more than in the past in the new business field.

The success of Crown Life, which left the LOA in June last year, seems to indicate that a higher commission policy pays dividends. New business last year was substantially better than in previous years, showing a 43 per cent and 53 per cent jump on new annual and single premiums respectively. The company says it does not know how much of this is attributable to its increased commission figure that is right on impossible to quantify. But it cannot go unnoticed that the company has seen a big increase in business over previous years.

All the companies which have left the LOA, but Abbey Life are relatively small and will therefore find it easier to chalk up higher percentage increases in new business from a relatively low base. Nevertheless, the well established Irish Life has had tremendous success on the new business front since it left the LOA three years ago.

Unit-linked offices spell out the charges they made on their policies—albeit in a complicated way which defies comprehension some would argue. If they choose to enter into a commission war the net result would be a squeezing of profit margins to fund increased remuneration to brokers, or an increase in the policy charges, which would make them immediately uncompetitive with other offices.

Life offices and the LOA believe that the resignation of these four unit-linked offices from the trade association will not lead to a commission war between life offices—for which the policyholder will ultimately pay.

Nevertheless, a dwindling membership of a trade association can only weaken the LOA's position as the watchdog over this particular industry.

Sylvia Morris

Motor insurance

The right type of cover when driving abroad

With the cross-Channel ferry operators once again competing strongly for business, taking the car on the Continent may well prove to be a relatively cheap holiday—especially if you are free to travel outside the "peak" periods.

The insurance position if you take your car to the Continent is still illogical—and rather more expensive than is strictly necessary.

If you decide to take your car to the Continent there is no legal necessity to make any special insurance arrangements—provided you are not one of the estimated one in 13 motorists who do not have valid United Kingdom motor insurance.

As a matter of course, your United Kingdom policy—whether fully comprehensive or only third party—will give you the cover required by law when you are in any other EEC country—one of a number of other countries which have joined the same scheme.

I am not, however, listing the countries involved because,

while you would be within the law, it is most unwise to have such limited cover.

The best plan, therefore, is to notify your insurers in good time of the period of your holiday and the countries which you expect to be visiting. You can expect to pay an additional premium in return for which your policy will be extended—so that you will have the same cover on the Continent as in the United Kingdom. Your insurers will issue a "green card"—a kind of international certificate of insurance, which should be signed before setting off, by anyone who may drive the car. Also, as part of the deal, your insurers will cover your car for AA to arrange recovery of the car to the United Kingdom if it breaks down or is damaged and cannot be repaired economically on the Continent, or if it is stolen and is not recovered before the end of your holiday.

If necessary, under this section, the AA will locate and send spare parts for the car—although you still have to meet the cost of the parts and any import dues. If you are camping, you will be able to claim up to £50 for each person for emergency

hotel and food expenses, if your tent becomes unserviceable as a result of accidental damage, or if it is stolen. There are plenty of other useful forms of cover which can save expenditure if you should run into trouble.

There is also a section of the policy, underwritten by the Consolidation Insurance Company of Canada, which covers medical expenses up to £50,000 for each person, baggage up to £600 per person, loss of money and the like. Also included is cover in the event of cancellation or curtailment—of, otherwise, your holiday deposits. This section is fairly generous. The really unusual feature of the travel agents' policy is that the Norwich Union is providing straight motor insurance, with a green card, on a comprehensive basis. This insurance is part of the package and, if you buy the package, you get this cover (and pay for it) whether you like it or not. Of course, if you take this cover, it means that in the event of an accident on the Continent, the no-claim discount for your annual motor policy will not be affected. Also if in the Uni-

ted Kingdom, you have only third party cover, this package gives you the benefit of comprehensive cover.

There are, however, certain "strings" attached. There is a £25 excess, except for windscreen claims—which probably is reasonable enough. Under a United Kingdom car policy, normally there is unlimited third party cover both for personal injury and damage to property. Under this package, however, the third party property limit is £500,000.

The Norwich Union is only accepting those who are over the age of 24, although it is saying that younger drivers in the party may take their turn at the wheel—with the excess going up to £100 if they should be involved in an accident.

While this package offers some convenience, it does represent an element of "double insurance" and it does not look as though there will be a massive swing away from the traditional pattern of paying an additional premium to one's own insurer and obtaining a green card.

John Drummond

Investor's week

Secondary stocks set the pace in the market

It might not turn into a buying stampede, but the institutional hard hat has been looking distinctly jumpy this week.

The evidence may be scant indeed but there is a growing feeling that the recession has bottomed at last. The question of how long it will stay there remains to be answered. But nervous fund managers are already searching the listings for that elusive "recovery" bargain.

Add in all the talk of Government, U-turn—market professionals say that is the only manoeuvre possible in a cul-de-sac—and it is not hard to see why the FT index has managed five days of consecutive gains, in the first week of a three-week account, the last but one before the Budget.

In climbing from 480.3 at the beginning of the week to close at 493.2, the index has been edging rather than charging forward, with the biggest one-day gain proving a modest 6.6 points on Tuesday after money supply figures which matched expectations. The fact that the

increase in central government spending over 10 months has outstripped forecasts for the full year is neither here nor there if the market believes that the Government is losing the will to keep turning the screw.

But the FT index hardly tells the whole story. The real action has been taking place in the secondary stocks where renewed interest last week has been consolidated this week. There has been some decisive purchasing in the engineering stocks and building sectors enlivened by the abortive "lunchtime raid" on Thursday for nearly 15 per cent of engineers. F. Pratt. Yesterday British Aerospace was dramatically oversubscribed.

Breweries lost their recession-proofing with sagging profits last year, but there are hopes among analysts that a consumer spending revival could turn the tide towards the second half of the year.

Starved once again of a minimum lending rate cut and

MAIN CHANGES OF THE WEEK

Year's High	Year's Low	Company	Change	Comment
101p	45p	F. Pratt	39p to 101p	Market raid
465p	290p	London Sumatra	25p to 355p	Takeover bid
485p	328p	Barclays	25p to 408p	Figures due
408p	284p	ICI	4p to 300p	Recovery hopes
Falls				
255p	160p	Manchester Ship	36p to 160p	Bad results
78p	49p	Assoc. Fisheries	8p to 55p	EEC policy talks
247p	221p	Harlebeest	22p to 224p	Bullion price
73p	73p	Lonrho	8p to 95p	Ex-dividend
430p	247p	Tricentral	10p to 312p	Oil forecasts

news of Allied's decision to shut its Ansell brewery and growing fears that beers, along with tobacco, will bear the brunt of Budget penalties.

Bludgeoned by last Wednesday's £1,000m tap stock, which made its debut at a discount on Thursday, the gilt-edged sector wilted somewhat to close the week with marginal losses. Hopes are now back firmly to Budget day for a drop in interest rates, but although gilt may spend some time in limbo as a result of indignation caused by government funding requirements, no one is betting on them going lower.

Taxation

Cutting the CTT bill on your home

If your estate consists largely of your house you may have a substantial capital transfer tax problem and little room for manoeuvre. It is much easier to make gifts of small amounts—through the £2,000 per annum exemption or by regular gifts from income—if you have cash.

The first step in most CTT planning is to decide whether you actually have a CTT problem and then whether you want to do anything about it. Anybody with a potential estate of about £50,000 has almost certainly no problem, since there is no CTT payable on estates below that threshold.

So, if you add up all your assets—including your house—is the tax payable significant and worth worrying about? Remember, assets do not suffer capital transfer tax when they pass between husband and wife, a major advance on the old position that used to exist under estate duty.

Once you have done your homework and decided that the family house could place a tax burden on the next generation, start your planning by looking first at your will and the way in which the property is owned. It is one of the fundamental rules of CTT planning that each person should own the house in his or her own £50,000 nil rate band. In the case of a married couple, whoever dies first should pass down at least £50,000 direct to the children and then leave only the remaining estate to the surviving spouse. This has the very beneficial effect of reducing the tax payable at the second death by a dramatic amount.

The problem, however, is to pass down assets at the first death without endangering the survivor's security by reducing his or her liquidity: in other words, you must leave your wife somewhere to live, and enough to live on. The best way in these circumstances is often to pass down a share in the house.

Almost all husbands and wives who own their homes jointly have what is called a "joint tenancy"—nothing to do with landlords and tenants. It simply means that when one of the joint owners dies, the property passes to the survivor automatically and without reference to the deceased person's will.

If you want to pass down part of the value of the house at the first death you should ask your solicitor to sever the joint tenancy and replace it with a "tenancy in common". Under this form of joint ownership, each party can leave his or her share in the house directly to children or even part of the share to the children and part to the surviving spouse.

Your widow or widower would then be living in a property where the ownership is shared with the children. Most fears about future security can be allayed by granting a protected lease to the parent. And the surviving parent still has the ultimate sanction of changing his or her will with respect to the rest of the estate; if the children are in any way uncooperative, a threat to leave it to the local car park home might do the trick.

A single person who wants to pass on a property without paying enormous amounts of CTT faces an even more difficult problem. One course of possible action could be to give away a share in the home. A gift worth about £50,000 would pass without a tax charge on the lifetime transfer and although the tax charge at

death would not be directly reduced, at least it would not increase in value as property prices rise in future years.

However, perhaps a loan would be a better way to freeze the value of an estate in money terms rather than to allow it to increase in line with the value of the house. The owner of the property could lend the amount to the intended beneficiary, who in turn would then use the money to buy the property or a share in it.

The loan would stand as an asset in the donor's estate but it would be for a static amount and from time to time a gift could be made by the donor by way of cancelling part of the loan; this could be done perhaps through one of the exemptions.

Remember that if you make an interest-free loan of this kind and then cancel it regularly each year at the rate of say £2,000 a year using the annual exemption, you do not have an effective tax plan. The Inland Revenue will treat the operation as an "associated operation" and it is certain to be treated as a taxable transfer.

The capital gains tax position after a transfer of ownership is important. You could end up saving on capital gains tax but paying capital gains tax.

If the person who lives in the house is a divorced, separated or widowed mother of the owner, then any appreciation in the value of the property would in any case be free of capital gains tax after the transfer of ownership. If the transferor is a father in the same position or a married couple, then this transaction could generate a capital gain tax liability.

There are other ways of making gifts if you have a substantial estate but not a CTT problem. It is that they mostly represent gifts of amounts denominated in cash and therefore do not appreciate in value.

For example, if you wanted to use the £2,000 a year exemption you could borrow £2,000 from the bank each year and give it to the beneficiary. He could then lend it back to you and you could repay the bank loan. The transaction should be documented to this effect and hopefully at your death, the Inland Revenue will accept that the notes are evidence of a real debt against your estate.

Another way of depleting your estate on your death but generating income now would be by way of a "home income plan", normally thought of in connexion with low income families. An annuity is purchased from the provider of the plan taken out on your house. The income, less mortgage interest, can then be used to generate life-time transfers—perhaps through the medium of a whole of life insurance policy. At the time of the house reverts to the insurance company reduced to your estate.

Finally, here are some practical points. Do use a solicitor for any of these transactions. None of them is simple and it is essential to discuss these kinds of decision with a professional adviser. CTT may not be the most important problem long term; your future personal security perhaps should concern you more.

Danby Bloch and Raymond Godfre

25KV GHANA INTERCO

Round-up

Diamonds still a rich man's gamble

Diamonds, according to Mr Michael Freedman, are back in fashion as a hedge against paper investments. The opinion of this 37-year-old New York diamond merchant and head of the Gemstone Trading Corporation (profits last year equal to £782,000) might be regarded as slightly biased.

A former record salesman who has been investing in diamonds for seven years, he has just produced *The Diamond Book* described as a practical guide for successful investing. The cost is a fraction of the price you will need to introduce diamonds into your portfolio and comes at a time when interest in this kind of gem is increasing.

American stockbrokers Thomson & McKinnon are completing subscription for a \$13m unit trust based on diamonds and in London former stockbrokers Rowe Ruda have almost completed a smaller but similar trust.

The trusts are likely to run for specific periods, are aimed solely at capital gain and will be liquidated at the end of say four years. For the more adventurous, buying diamonds is possible in the United Kingdom—they are kept offshore to avoid value added tax—but Mr Freedman warns that you must be worth at least £25,000 without your house and be prepared to tie up the money for at least three years. He adds that diamonds should not represent more than a fifth of total investments.

On Monday, Scottish Amicable, traditionally a conventional life office, steps into the unit-linked market with the launch of a single premium bond. Money invested in the Capital Investment Bond, minimum £1,000, can be linked to any of the six internal bond funds—equity, cash, property, international, fixed interest and a managed fund—and the usual switching and withdrawal facilities are available.

The new bond includes the latest in flexibility on the market. It is written as a series of cluster policies—all of which can be treated separately, when it comes to cashing them in—and you can "top up" your investment—minimum £1,000—at any time.

Bond charges include a 5 per cent initial fee, although for initial investments under £2,000 there is an extra 2 per cent levy on the amount by which your investment falls short of this figure. The annual charge is 0.75 per cent.

If you are among the one million members of the Provincial Building Society and are facing redundancy, then drop into your local building society for advice. Last week the Provincial announced a series of measures to help the unemployed and those who will soon join the ranks.

Borrowers will be advised whether to pay off the mortgage with existing savings or redundancy payment or not. Other solutions to lessen the burden of the monthly mortgage payment include suspending payment altogether for up to a year, extending the term of the mortgage or switching to an "option mortgage" scheme.

ACCOUNT DAYS: Dealings Began, Feb 9. Dealings End, Feb 27. § Contango Day, March 2. Settlement Day, March 9
§ Forward bargains are permitted on two previous days

\$ Forward bargains are permitted on two previous days

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